

MEDICAL MISSION INTERNATIONAL (UK)
(A company limited by guarantee and not having a share capital)

Financial Statements

For the year ended 31 December 2018

Company Number: 4798450
Charity Number: 1099015

MEDICAL MISSION INTERNATIONAL (UK)

CONTENTS

	Page
Trustees' Report	1 to 5
Independent Auditors' Report	6 to 8
Statement of Financial Activities	9
Balance Sheet	10
Cash Flow Statement	11
Notes to the Accounts	12 to 19

MEDICAL MISSION INTERNATIONAL (UK)

COMPANY INFORMATION

Directors and Trustess	R Kendrick J Lam G Poorman J Poorman
Secretary	Broadway Secretaries Limited
Company number	4798450 (incorporated in England & Wales)
Charity number	1099015
Registered office	Second Floor Office 34 Hight Street Bromley Kent BR1 1EA
Auditors	Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD
Principal Bankers	HSBC Bank PLC 184 High Street Bromley Kent BR1 1HE
Solicitors	Bircham Dyson Bell LLP 50 Broadway London SW1H OBL

MEDICAL MISSION INTERNATIONAL (UK)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The Trustees present their annual report along with the financial statements for the year ended 31st December

The accounts have been prepared in accordance with the accounting policies set out in note 1 of the attached accounts and comply with the charity's memorandum and articles of association, applicable laws and the requirements of Statement of Recommended Practice on "Accounting and Reporting by Charities" issued in January 2015. The information shown on the previous page forms a part of this report.

Structure, Governance and Management

Governing document

Medical Mission International (UK) was incorporated on 13th June 2003 as a company limited by guarantee (company number: 4798450) and registered as a Charity on 15th August 2003 (registration number 1099015). It is governed by its Memorandum and Articles of Association.

Organisational structure

The strategic direction of the Charity is the responsibility of the board of trustees. The day-to-day running of the Charity is carried out by the Chief Executive, who is responsible to the board of trustees.

Trustees, appointment, induction and training

New trustees are appointed by existing trustees should they be deemed appropriate and help to fulfill any shortfall in the skill set of the board upon application. The charity shall hold an annual general meeting each year in addition to any other meetings. The trustees keep themselves updated through information obtained from external consultants and the Charity Commission, and are responsible for the induction and training of new trustees. Further training, consultation and information is made available to the trustees on an ongoing basis.

The Directors of the company are also the Trustees of the charity.

At each AGM one third of the Trustees are subject to retirement by rotation or if their number is not three or a multiple of three, the numbers nearest to one-third shall retire from office, but shall be eligible for re-election.

Remuneration Policy

The charity does employ one staff member who's pay is determined by the Board and is based on the hours worked and the prevailing market rates for the level of work that is being undertaken. Potential future increases in salary are decided and given to reflect increases in the cost of living.

As noted elsewhere in the accounts, the trustees and officers of the charity receive no remuneration or compensation for their time and services to the charity.

If the charity does decide to compensate its trustees and officers in future years, then the recommendations of the NCVO enquiry will be taken into account.

Risk Management

The Trustees have reviewed the major business, financial and strategic risks to which the charity is exposed and confirm that steps have been taken to mitigate those risks.

A fundamental risk to the charity is the potential for continued increases in expenditures on raising funds versus donation income received which would be the result of non-effective direct mailing mailshot results. To address this fundamental risk the charity is working with local marketing agencies to explore possible diversification of its current revenue stream as well as to look to achieve better returns on its mailshots. The goal is to drive down the cost of expenditure on raising funds while looking to boost and maximize donation revenues of its mailshots and other possible revenue streams which would mitigate this fundamental risk to the charity.

MEDICAL MISSION INTERNATIONAL (UK)

TRUSTEES' REPORT(CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

Objectives and activities

We have referred to the guidance in the Charity Commission's general guidance on Public Benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

In light of the Charity Commission's guidance on Public Benefit, the principal object of the Charity continues to be the relief of poverty and sickness, in particular by the provision of emergency medical relief and public health services to assist disadvantaged and needy families throughout the world affected by famine, natural disaster or civil conflict.

The principal source of funding for these charitable programmes is expected to remain as income generated from direct mail appeals. The results from specific appeals have been very encouraging and the Trustees wish to thank all those who have assisted in the fundraising effort, either through the making of cash donations or by assisting in the procurement of donated goods.

Grant making policy

The trustees will continue to concentrate on the provision of emergency aid by making grants to support charitable projects providing emergency relief to assist children in disaster areas.

Applications are dealt with on receipt. Guidelines for applicants are available from the trustees. All applications for grants are reviewed by the trustees before any decision is made. The trustees may also require a visit to the applicant before deciding whether or not to make a grant.

Achievements and performance

MMI (UK) raised in excess of £3.3m during the year ended 31 December 2018 (2017: in excess of £4.6m). The majority of those resources were obtained as a result of our direct mail fund raising efforts and gifts in kind.

During this year of operations, generous United Kingdom donors enabled MMI (UK) to expend £2,827,894 (2017: £3,938,116) on our grants programme.

The programmes supported during 2018 were:

	£
Compassionate Franciscan Sisters of the Poor - Philippines	10,800
Doctors for Life Trust - Malawi / Zimbabwe	28,145
JP Clawson Medical Missions - Zimbabwe	7,095
Mercy & Hope International - Sierra Leone	2,735,545
Real Medicine Foundation - Kenya/ Mozambique	46,309
	<u>2,827,894</u>

Fundraising Approach

The charities trustees are fully aware of their individual responsibility and accountability to ensure that the charity fundraises legally, ethically, responsibly and effectively.

The charity is a levy paying member of the Fundraising Regulator and subscribe to the associated fundraising codes and practice. In addition the charity is also registered with the Information Commissioner's Office and is fully compliant with the newly enacted General Data Protection Regulation (GDPR).

The charity suppresses individual supporter records against the Mailing Preference Service, Telephone Preference Service and the Fundraising Preference Service which helps to ensure that the charity doesn't approach individuals who have expressly requested that we don't contact them. During the fiscal year Fundraising Preference Service suppression requests totaled 28.

The charity doesn't engage with any professional fundraiser or commercial participator.

MEDICAL MISSION INTERNATIONAL (UK)

TRUSTEES' REPORT(CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

Fundraising Approach (continued)

The charity has a published complaint procedure, available on its website and does indeed respond to enquiries and complaints in a timely fashion. As a member of the Fundraising Regulator we are required to provide annual figures on the number of complaints received during the year. Most of these contacts tend to be requests to opt-out of charity communications by existing supporters. These opt-out requests are administered and handled straight away to reduce any perception of unreasonable intrusion or undue pressure to support the charity.

The charity continues to diversify its income generating activities so as to reduce reliance on any single income stream. The main revenue stream for the charity is its direct mail fund raising programme coupled with gifts in kind. Regular giving programmes and legacy income are other diversified revenue streams for the charity.

Grant making policy

The trustees will continue to concentrate on the provision of emergency aid by making grants to support charitable projects providing emergency relief to assist children in disaster areas.

Applications are dealt with on receipt. Guidelines for applicants are available from the trustees. All applications for grants are reviewed by the trustees before any decision is made. The trustees may also require a visit to the applicant before deciding whether or not to make a grant.

Financial review

During the year incoming resources amounted to £3,354,294 (2017: £4,602,246) and the charity expended a total amount of £3,135,493 (2017: £4,397,157).

The final result was a net increase in funds of £218,801 (2017: increase of £205,089).

The objectives that were set out in 2017, to be achieved in 2018, were partially met. The charity did receive funds in 2018 from legacies in the amount of £78,427 (2017: £34,548). The charity did decrease its amount expended on charitable activities in 2018 compared to 2017. The total amount expended on charitable activities in 2018 exceeded £2.9m compared to £4.1m in 2017.

The cost ratio of raising funds versus donation income received improved in 2018 compared to 2017 and this was partially the result of decreasing the number of acquisition mailings sent out in 2018 compared to 2017. Donation income declined year on year and expenditures for raising funds decreased as well. As was noted in last years audit the charity continued working with a local marketing agency in 2018 and that change did result in decrease in cost of raising funds. We are hopeful that we may continue reducing costs of raising funds while attempting to start increasing donation revenue and to possibly explore other avenues of expanding our donation revenue stream.

MEDICAL MISSION INTERNATIONAL (UK)

TRUSTEES' REPORT(CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

Financial Review (continued)

Reserves policy

The Board has examined the requirement for free reserves which are those unrestricted funds not invested in fixed assets, designated for specific purposes or otherwise committed. The Trustees review its reserves policy annually and consider that the free reserves held by the charity should be broadly equivalent to at two years of the yearly on going annual expenditures (exclusive of GIK). The Trustees decided that MMI's long-term target level of free reserves should be between £700,000 and £800,000 which would give the charity flexibility to cover temporary timing differences for donation receipts, adequate working capital for core costs, and would allow MMI to respond quickly to emergencies where immediate relief is needed.

At 31 December 2018, the free reserves of the charity amounted to £744,282 (2017: £525,481). The Board acknowledge that this falls right in line with the target free reserve minimum.

Investment policy

The investment strategy is set by the trustees. In light of the Trustees policy on reserves the trustees have reviewed their investment policy and seek to both maximise return, whilst ensuring sufficient liquidity to enable the Charity's funds to be expended for charitable purpose as soon as possible.

Plans for future periods

The principal source of funding is expected to remain as voluntary income generated from direct mail appeals to the public. The charity plans to vigorously continue its focus on:

- expanding its donor base, in order to increase the total amount of charitable programs that can be funded each year;
- increasing the number of donors who give to the Charity on a fixed schedule, in order to further reduce the costs of raising funds; and
- encouraging donors to consider including the Charity in their estate plans.

The Charity will continue its emergency aid shipments and financial grant programs.

Statement of trustees' responsibilities

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

Company law requires trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
 - observe the methods and principles in the Charities SORP;
 - make judgements and estimates that are reasonable and prudent;
 - state whether applicable accounting standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
 - state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements;
 - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.
-

MEDICAL MISSION INTERNATIONAL (UK)

TRUSTEES' REPORT(CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

Statement of trustees' responsibilities (continued)

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.


Auditors

Kingston Smith LLP have indicated their willingness to continue in office and are deemed to be reappointed in accordance with section 487(2) of the Companies Act 2006.

Small Company Exemption

These financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting 102 (effective 1 January 2015).

Approved by the trustees on 27 JUNE 2019 and signed on their behalf by:


.....
R. Kendrick
Trustee

MEDICAL MISSION INTERNATIONAL (UK)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDICAL MISSION INTERNATIONAL (UK)

Opinion

We have audited the financial statements of Medical Mission International (UK) for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, and the Cash Flow Statement 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 2018, and of its incoming resources and application of resources, 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 charitable company 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.

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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

MEDICAL MISSION INTERNATIONAL (UK)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDICAL MISSION INTERNATIONAL (UK)

Other information (continued)

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 Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we required 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' Annual Report and from preparing a Strategic Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 4 and 5, the trustees 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

MEDICAL MISSION INTERNATIONAL (UK)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDICAL MISSION INTERNATIONAL (UK)

Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or

Kingston Smith LLP

.....
Luke Holt (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor

Date: *02/07/19*
Devonshire House
60 Goswell Road
London
EC1M 7AD

MEDICAL MISSION INTERNATIONAL (UK)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2018

Unrestricted Funds			
	Note	2018 £	2017 £
Income			
Donations		473,648	618,615
Gift aid repayment claims		65,955	89,009
Legacies		78,427	34,548
Gifts in Kind		2,735,545	3,859,875
Investment income : Bank interest		719	199
Total Income		<u>3,354,294</u>	<u>4,602,246</u>
Expenditure on:			
Raising funds	3	157,085	252,134
Charitable activities	4	<u>2,978,408</u>	<u>4,145,023</u>
Total Expenditure		<u>3,135,493</u>	<u>4,397,157</u>
Net movement in funds	2	218,801	205,089
Total Funds Brought Forward		<u>525,481</u>	<u>320,392</u>
Total Funds Carried Forward	12	<u><u>744,282</u></u>	<u><u>525,481</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing operations.

All incoming resources and resources expended relate to unrestricted funds.

The notes on the accompanying pages form a part of these financial statements.

MEDICAL MISSION INTERNATIONAL (UK)

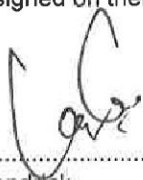
BALANCE SHEET AS AT 31 DECEMBER 2018

	Note	2018		2017	
		£	£	£	£
Fixed Assets					
Tangible fixed assets	9		-		-
Current Assets					
Debtors	10	19,204		21,479	
Cash at bank and in hand		<u>758,888</u>		<u>564,151</u>	
		778,092		585,630	
Creditors: Amounts falling due within one year	11	<u>(33,810)</u>		<u>(60,149)</u>	
Net Current Assets			<u>744,282</u>		<u>525,481</u>
Total Net Assets			<u><u>744,282</u></u>		<u><u>525,481</u></u>
Funds					
Unrestricted funds	12		<u><u>744,282</u></u>		<u><u>525,481</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The notes on the accompanying pages form a part of these financial statements.

Approved by, and authorised for distribution, the Board of Trustees on 27 JUNE 2019
and signed on their behalf by:


.....
R. Kendrick
Trustee

Company Registration No. 04798450

MEDICAL MISSION INTERNATIONAL (UK)

CASH FLOW STATEMENT AS AT 31 DECEMBER 2018

	2018 £	2017 £
Cash flows from operating activities		
Net Income / (Expenditure)	218,801	205,089
Adjustments for:		
Interest received	(719)	(199)
Decrease/ (increase) in debtors	2,275	27,993
(Decrease)/ increase in creditors	(26,339)	19,061
Net cash (used in) / generated by operating activities	<u>194,018</u>	<u>251,944</u>
Cash flows from investing activities		
Interest received	719	199
Net cash from investing activities	<u>719</u>	<u>199</u>
Change in cash and cash equivalents in the year	194,737	252,143
Cash and cash equivalents at beginning of year	564,151	312,008
Cash and cash equivalents at end of year	<u><u>758,888</u></u>	<u><u>564,151</u></u>

MEDICAL MISSION INTERNATIONAL (UK)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting Policies

A summary of the principal accounting policies adopted, judgements and key sources of estimation uncertainty are set out below.

Basis of Preparation of the Financial Statements

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The charitable company is a public benefit entity for the purposes of FRS 102 and a registered charity established as a company limited by guarantee and therefore has also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006 and Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the charity, rounded to the nearest pound.

Going concern

The trustees have assessed whether the use of going concern and have considered possible events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. In particular, the trustees have considered the charitable company's forecasts and projections and have taken account of pressures on donations. After making enquiries, the trustees have concluded that there is a reasonable expectation that the charitable company has adequate resources and there are no material uncertainties not to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

Donation Income

Income is included on an accruals basis except that donations under gift aid together with the associated income tax recoveries are credited as income when the donations are received.

Legacy Income

Legacies are recognised in the statement of financial activities when the charity has entitlement, there is a more probable than not chance of receipt, and their value can be accurately measured.

Gifts-in-Kind

Incoming resources in the form of gifts in kind are included in the Statement of Financial Activities only when assets donated to the charity are distributed. Gifts in kind are donations of commodities directly usable in charitable programmes such as food, clothing and medical supplies. The charity has a monitoring programme in place to ensure that commodities are appropriately valued at wholesale or less, culturally appropriate for the designated programme, and can be both properly shipped and distributed free of charge to the intended beneficiaries.

Gift Aid Repayments

Income from gift aid repayment claims is only included for claims which have been submitted for tax periods ending on or before the year end and when the receipt of this income is more probable than not.

MEDICAL MISSION INTERNATIONAL (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

Accounting Policies (continued)

Resources Expended

Expenditure, which is charged on an accruals basis, is allocated between:

- expenditure incurred directly in the effort to raise voluntary contributions (cost of raising funds); and
- expenditure incurred directly to the fulfilment of the charity's objectives (charitable expenditure).

Charitable activities comprises all the expenditure incurred by the charity in meeting its charitable objectives and is further analysed between:

- grants payable in the furtherance of the charity's objectives
- costs of activities in furtherance of the charity's objectives
- support costs of the charity

Where items of expenditure involve more than one cost category these costs have been apportioned on a reasonable basis as determined by the trustees. One particular area where the cost is material to the charity is in the production and distribution of the mail shots.

One of the purposes of the mail shot is to develop a database of names of people with a particular interest in the activities of the charity and its charitable objects.

Furthermore the expenditure has been allocated on the basis of whether the educational content of the individual mail shot is significantly high enough so as to be material. When this holds true the cost of the mail shot is allocated on a pro-rata basis comparing the educational content (costs in furtherance of the charity's objects) to the fund raising content (costs of generating funds). The educational content is determined by the amount of text on each mail shot that is dedicated to material of an educational nature.

Fund raising expenditure i.e. text that may induce a donation from the recipient, is allocated upon the basis of the volume of the text and space that is not related to text of an educational nature.

Support costs comprise all other overhead costs for the running of the charity as an organisation and the costs primarily associated with the constitutional and statutory requirements.

Fund Accounting

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the charity.

Foreign Currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction, the average rate being used as an approximation to this rate. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with through the statement of financial activities.

Tangible Fixed Assets and Depreciation

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets held for charity use by equal annual installments over their expected useful economic lives. The rates generally applicable are:

Office equipment, fixtures and fittings	3 years straight line
---	-----------------------

All tangible fixed assets costing more than £250 are capitalised at their cost to the charity.

MEDICAL MISSION INTERNATIONAL (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

Critical accounting estimates and areas of judgement

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

Other financial instruments

i. Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

ii. Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price.

2	Net movement in funds	2018 £	2017 £
	Movement in funds stated after charging:		
	Foreign exchange loss	709	1,466
	Auditors' remuneration:		
	- Audit services	12,137	11,727
	- Audit services in respect of prior year	4,690	5,691
		<u>157,085</u>	<u>252,134</u>
3	Fund Raising and Publicity	2018 £	2017 £
	Mailshots	98,566	161,200
	Other	54,370	81,854
	Allocated support costs (See Note 5)	4,149	9,080
		<u>157,085</u>	<u>252,134</u>

MEDICAL MISSION INTERNATIONAL (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

4 Charitable Activities

	2018	2017
Grants Programme		
Gifts in kind	2,735,545	3,859,875
Grants paid to institutions	92,349	78,241
	<u>2,827,894</u>	<u>3,938,116</u>
Support costs of grants programme activity (See Note 5)	42,186	22,033
	<u>2,870,080</u>	<u>3,960,149</u>
Please refer to the Trustees' Report for details of all grants paid.		
Costs of activities in furtherance of the charity's objectives		
	2018	2017
Education and development	75,523	132,728
Support costs of education and development (See Note 5)	32,805	52,146
	<u>108,328</u>	<u>184,874</u>
Total Charitable activities	<u>2,978,408</u>	<u>4,145,023</u>

MEDICAL MISSION INTERNATIONAL (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

5 Support Costs

	Fundraising £	Grant Programme £	Education and Development £	2018 £
Salaries	729	-	6,557	7,286
Temporary staffing	716	-	6,445	7,161
Occupancy costs	154	-	1,381	1,535
Shipping expenses	-	34,209	-	34,209
Travel and similar expenses	-	-	886	886
Loss on foreign exchange	-	-	709	709
Governance Costs:				
Legal and professional fees	2,160	7,977	-	10,137
Audit and Accounting: For current year	390	-	12,137	12,527
Audit and Accounting: In respect of prior year	-	-	4,690	4,690
31 December 2018	<u>4,149</u>	<u>42,186</u>	<u>32,805</u>	<u>79,140</u>

Support Costs

	Fundraising £	Grant Programme £	Education and Development £	2017 £
Salaries	2,000	-	17,999	19,999
Temporary staffing	1,353	-	12,182	13,535
Occupancy costs	239	-	2,151	2,390
Shipping expenses	-	13,714	-	13,714
Travel and similar expenses	-	-	930	930
Loss on foreign exchange	-	-	1,466	1,466
Governance Costs:				
Legal and professional fees	5,098	8,319	-	13,417
Audit and Accounting: For current year	390	-	11,727	12,117
Audit and Accounting: In respect of prior year	-	-	5,691	5,691
31 December 2017	<u>9,080</u>	<u>22,033</u>	<u>52,146</u>	<u>83,259</u>

MEDICAL MISSION INTERNATIONAL (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

6 Trustees remuneration

During 2018 and 2017 no Trustee received funds as reimbursement for travel expenses incurred during attendance to meetings of the trustees.

No Trustee received remuneration during the year or payment for other services (2017: £Nil).

7 Employees

Number of employees

The average number of employees during the year was:

	2018 Number	2017 Number
Office and Management	1	1

Employment costs

	2018 £	2017 £
Wages and salaries	7,286	4,690
Social security costs	-	-
Redundancy payments	-	15,309
	7,286	19,999

No employee was paid over £60,000 during the year (2017: None).

The key management personnel are the Trustees.

The total remuneration paid to key management personnel was £Nil (2017: £Nil).

8 Taxation

The company, being a registered charity, is not liable for corporation tax in respect of its operations for the year.

9 Tangible fixed assets (for charity use)

Computer equipment

Cost

At 1 January 2018 and at 31 December 2018

926

Depreciation

At 1 January 2018

926

Charge for year

-

At 31 December 2018

926

Net Book Value

At 31 December 2018

-

At 31 December 2017

-

MEDICAL MISSION INTERNATIONAL (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

10 Debtors	2018 £	2017 £
Other debtors	7,332	11,494
Prepayments	11,872	9,985
	<u>19,204</u>	<u>21,479</u>

All debtors apart from prepayments are financial instruments measured at settlement value.

11 Creditors : Amounts falling due within one year	2018 £	2017 £
Trade creditors	22,500	48,409
Accruals	11,297	11,740
Tax and Social Security	13	-
	<u>33,810</u>	<u>60,149</u>

All creditors except accruals and tax and social security are financial instruments measured at settlement value.

12 Unrestricted Funds	Balance at 1 January 2018 £	Net surplus for the period £	Balance at 31 December 2018 £
General reserve	<u>525,481</u>	<u>218,801</u>	<u>744,282</u>

13 Members' Liability

The Charity is a company limited by guarantee. In the event of a winding up, the members' liability is limited to £1.

14 Connected Party Transactions

Two Trustees of the Charity (Joseph Lam and Ruth Kendrick) assisted in the establishment of other Medical Mission International and World Children's Fund charities throughout the world that share similar visions and purposes as Medical Mission International (UK) and they are also on some of those other charities' boards. However, the Charity does not consolidate these foreign entities in its financial statements, as they are separate legal entities with no one controlling party. Neither were there any financial dealings with these entities during the year, apart from those transactions, and year end balances already disclosed below in accordance with FRS 102.

Of the foreign entities mentioned above, the following transactions occurred:

	2018 Payments / (Receipts)	2018 Balance £	2017 Balance £
Debtors			
World Children's Fund (UK)	<u>(185)</u>	<u>-</u>	<u>185</u>

MEDICAL MISSION INTERNATIONAL (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

14 Connected Party Transactions (continued)

As stated previously in Note 6 of the Financial Statements, no Medical Mission International UK Trustee receives any salary or compensation from the Charity.

Joseph Lam and Ruth Kendrick, Trustees of the Charity, are also Trustees of World Children's Fund UK and receive no compensation for those services.

Joseph Lam, Trustee and Officer of the Charity, is also a Trustee and Officer of MMI-US. None of the other three Trustees of the Charity is a Trustee or Officer of MMI-US, but, Ruth Kendrick is an employee of MMI-US. Joseph Lam and Ruth Kendrick do receive compensation for their services from MMI-US.