

Registered Charity Number: 1107824
Registered Company Number: 5289161

Mission Direct Limited
(Known as Mission Direct)

Report and financial statements
For the year ended 31 December 2021

Mission Direct Limited

Report and financial statements

For the year ended 31 December 2021

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Mission Direct Limited

Legal and Administrative Information

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. Website: <https://missiondirect.org/>. 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 or the Members, 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:

Paul Holbrook (Chair from 18 March 2022)
Christopher Knight
Tim Martindale (Chair) – Retired 18 March 2022
Andrew Smart
Mark Vickers – Retired 18 March 2022
Govinda French – Appointed 18 March 2022

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.

Chief Executive and

Company Secretary:	Wilhelm Horwood
Registered office:	Mission Direct, 27 Bury Mead Road, Hitchin, Herts, SG5 1RT
Principal Bankers:	Barclays Bank, George Street, Luton, LU1 2AE
Auditor:	Baker Watkin Audit LLP, Middlesex House, Rutherford Close, Stevenage, Hertfordshire, SG1 2EF

Mission Direct Limited

Report of the Trustees (Including Directors' Report)

The Trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 December 2021. The financial statements comply with the Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2019). 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.

Values

Mission Direct values were reviewed in 2020 and amended after consultation with trustees, staff and volunteers.

Christianity in action – While keeping our work Christ-centred, we serve others irrespective of their faiths or worldviews.

Equality – As an inclusive and welcoming family, we value human diversity and are committed to treating people equally.

Sustainability – We strive for long-term and sustainable impact through careful stewardship of resources to leave a positive lasting legacy.

Compassion – We treat people with compassion, kindness and respect to promote dignity and well-being.

Partnership – We believe in the power of teamwork, collaboration and cooperation to tackle poverty and injustice.

Integrity – We are committed to being authentic, accountable, reliable and trustworthy.

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 (Including Directors' Report)

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. The Covid-19 pandemic curtailed our ability to send volunteers overseas, so our focus switched to supporting projects. During 2020, Mission Direct brought help and hope in 7 countries: Brazil, Cambodia, The Dominican Republic, Gambia, Uganda, Zambia, and Zimbabwe.

Principal Funding Sources

Mission Direct's achievements are normally 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 continued to be the prime source by which the charity was funded initially before the pandemic took hold. The volunteers were supported by their friends, churches, companies, trusts and other networks. 100% of the funds raised by the volunteers for a building project went directly to the project the person was supporting. In 2020, the pandemic meant that normal business needed to be put on hold. This placed significant pressure on Mission Direct's finances so the charity increased direct fundraising activities for both its own core costs and for projects overseas. It also reduced costs and took advantage of the government's Job Retention Scheme. Our fundraising still had an emphasis on individual donors, major donors, and trusts. We proactively cared for our donors, provided them with information about the positive impact the work is having and expressed our gratitude. Direct Mail remained 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 to safeguard the welfare of anyone who comes into contact with the Charity's work. The Charity is committed to ensuring safeguarding practice is compliant with statutory responsibilities, the Charities Commission guidance and accords with best practice. Trustees receive training in safeguarding, as do all staff and volunteers. Systems are in place to monitor safeguarding effectiveness and to respond quickly to any concerns.

Mission Direct Limited

Report of the Trustees (Including Directors' Report)

Achievements and Performance

In 2021 – no volunteers were able to travel to any of our locations overseas, however we have now been able to start to send volunteers again in 2022.

Volunteers, Trustees and staff historically represented our work at exhibitions and conferences and played a key part in letting people know about the opportunities to serve with Mission Direct and the impact achieved. However, the impact of the pandemic meant these events were curtailed in 2021 so we focussed our attention on regular communications with existing supporters and on increasing our social media presence.

Taking a bottom-up approach to 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 in which we were able to continue activities.

Brazil

We helped the CADI Centre in Rio complete their community centre redevelopment and provided them with funds to support some of their staff, so that it can continue to serve the local community living in the desperately poor favelas, and in particular to teach children from the favelas a trade as an alternative to a life of crime.

Cambodia

After supporting Serve Cambodia to help their Harvest of Hope recover from flooding in 2020, we decided to reduce the chances of the school being affected by flooding again because it was becoming a regular event. To do this we supported their work to knock the school down, then to raise the ground level, and then rebuild the school at the higher level above the regular flood levels. This had become necessary because major development work in the city of Phnom Penh had raised the surrounding land which was causing rainwater to run-off into the poorer community where the school is situated. Mission Direct had already helped poor families to rebuild their homes on higher ground, so doing the same for the school was a natural next step. This project was a great success and was made possible because the Cambodian government closed schools for a prolonged period due to the pandemic. The rebuilt school was ready just in time for when schools reopened.

The Dominican Republic

Much was achieved by Mission Direct in 2021. In the past, funds had been raised to help to secure the future of the Nazareth House home for disabled children, run by the inspiring Sister Mercedes. After having purchased the property, and thereby safeguarding the home from uncertainty, Mission Direct was able to fund the first stage of the redevelopment of the property to make more living and recreational space for the children.

Mission Direct also worked with the Samaritan Foundation to fund the building of five houses for families that have been rescued from living in shanty town dwellings. These houses are part of a purpose built village called Rio De Vida. Three of the houses were completed in 2021 with families moving in, while the other two are scheduled to be built in 2022.

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Report of the Trustees (Including Directors' Report)

India

In the past, Mission Direct helped to refurbish parts of the Emmanuel Hospital in Lalitpur, south of Delhi. During a period when the pandemic was ravaging India and there were shortages of oxygen in the country, we assisted this hospital to increase its oxygen supply so that it could continue to serve the needy with Covid-19.

Kenya

In Kenya we channelled funds to two of our partners there, Mission with a Vision, and Fountain of Life, so that they could continue their work with the needy in their communities.

Sierra Leone

Mission Direct were able to support the completion of new facilities at the Kings Royal Academy School in Freetown. We were also able to finish a project at the SDA Waterloo Hospital.

Uganda: Kumi

We continued to support food security projects in the Kumi area, working with our local partners, including the Mother's Union, so that food could be distributed to the most vulnerable.

Mission Direct also built four units of accommodation for teachers and their families at the Kumi Bazar School. This was necessary to ensure the school could retain good teachers to work in a poor location where local housing was not of a good standard.

Uganda: Rukungiri

Near Rukungiri, at the Rushararazi School, we also built teachers' accommodation. Again, this was due to the incredibly poor quality of local housing available to the teachers, but also due to the fact that the Rushararazi village was in a very isolated rural location. We build five units of accommodation here for the teachers and their families. In addition to this, we continued to provide financial support to our partners here.

Zambia

Mission Direct built a science block for the Crown of Life School in Lusaka. Science blocks are a requirement for schools to have government registered status and also enable the school to teach a broader curriculum. They differ from normal classrooms because they must have running water and washing facilities as well as gas taps and plumbing for gas, and also secure storage for chemicals and hazardous substances. The science block must also have much more robust and fire proof desks. We also completed small works at two of our other partners, Kumbaya School and Kiine School. In addition to these building projects, we provided support to a range of partners, including Footprints, who work with street children to support them and to reconnect some with their families when it is appropriate to do so.

Zimbabwe

In Zimbabwe we continued to support several of our partners in Mutare.

Financial Review

The Trustees consider the financial performance to be acceptable, particularly in the context of operating in a pandemic which affected our main income source. Seeking funding from fundraising from individuals and trusts, as well as utilising the government's Job Retention Scheme, has sustained the organisation. Although overall income dropped, costs were aggressively managed also so that overall unrestricted reserves increased slightly. The Trustees are grateful to all the staff who helped make this possible. The

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Report of the Trustees (Including Directors' Report)

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 2021 was £606,903 (13.6%) less than in 2020 on all funds mainly as a result of the continuing pandemic, but unrestricted legacy donations increased by £54,989 (21 times) more than 2020. Expenditure was significantly down due to careful management of costs and a reduction in staff numbers.

Plans for Future Periods

The four strategic initiatives for 2022 are:

1. Continue to live up to our ethos and values
2. Complete at least ten overseas projects
3. Increase our financial resources
4. Develop a Net Zero Carbon Plan

Effects of BREXIT

The Trustees having considered the 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's 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.

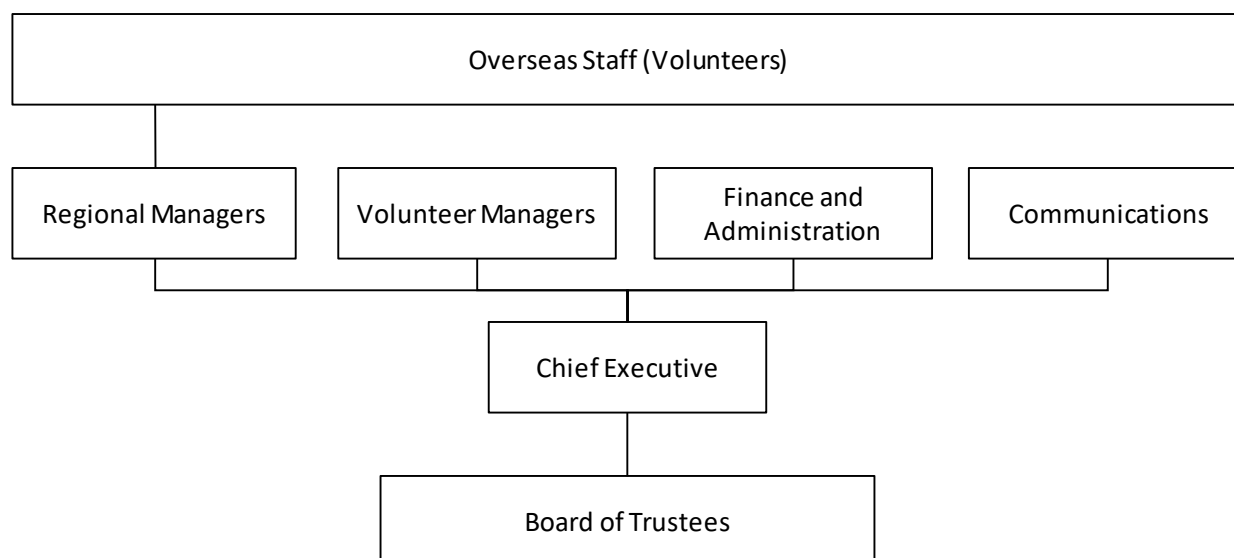
Fundraising

Mission Direct undertake fundraising internally and does not use a third party to assist with this. The funds are 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 2021 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.

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Report of the Trustees (Including Directors' Report)

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 the charity has weathered eighteen months of Covid-19 restrictions that have severely affected aspects of what the charity does, however the charity has 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 its unrestricted closure liabilities at any point in time. This level is currently £79,000 and provides sufficient funds to cover management, administrative and support costs. The Trustees are happy with the current level of unrestricted reserves held at the year-end of £249,992 (2020: £193,708) but will continue to monitor this in the future.

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Report of the Trustees (Including Directors' Report)

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 or postpone some scheduled trips for 2022. The trustees have taken significant steps to ensure that other sources of income are being maintained.

The charity is already taking applications and enquiries for 2023 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 ending 31 December 2022. 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

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Report of the Trustees (Including Directors' Report)

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, Baker Watkin Audit 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.

In approving the Report of the Trustees, we also approve the Directors' Report included therein, in our capacity as company directors.

Approved by the Board of Trustees on 24th June 2022 and signed on its behalf by:

Paul Holbrook
Chair of Trustees

Mission Direct Limited

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

Opinion

We have audited the financial statements of Mission Direct Limited (the 'charity') for the year ended 31 December 2021 which comprise 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 2021 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Report of the Trustees, 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.

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

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 course of 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 specified 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 Report of the Trustees and from the requirement to prepare a Strategic Report.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement 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.

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

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 the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the charity and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, the Charities Statement of Recommended Practice, UK, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial results, in particular in relation to the use of restricted funds, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Enquiries of trustees and management concerning any actual or potential litigation or claims;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.
- Review of trustees' minutes for any indications of non-compliance.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;

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

- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

Paul Craggs (Senior Statutory Auditor)
for and on behalf of Baker Watkin Audit LLP
Chartered Accountants
Middlesex House
Rutherford Close, Stevenage
Hertfordshire, SG1 2EF

Date: 24th June 2022

Mission Direct Limited

Statement of Financial Activities

For the year ended 31 December 2021

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
Notes						
Income and endowments						
Donations and legacies						
- Donations	284,299	212,376	496,675	400,051	202,071	602,122
- Legacies	57,573	-	57,573	2,584	-	2,584
Investment income	1,964	-	1,964	2,671	-	2,671
Government Grant Income from Job Retention Scheme	50,691	-	50,691	95,200	,	95,200
Total Income	394,527	212,376	606,903	500,506	202,071	702,577
Expenditure						
Costs of Raising Funds Charitable activity	14,558	-	14,558	16,489	-	16,489
- Charitable activity costs	262,444	246,033	508,477	398,262	240,053	638,315
- Support activity	61,241	-	61,241	70,264	-	70,264
Total Expenditure	338,243	246,033	584,276	485,015	240,053	725,068
Net income/(expenditure)	56,284	(33,657)	22,627	15,491	(37,982)	(22,491)
Transfers between funds	-	-	-	-	-	-
Net movement in funds	56,284	(33,657)	22,627	15,491	(37,982)	(22,491)
Total funds 1 January	193,708	325,232	518,940	178,217	363,214	541,431
Total funds 31 December	249,992	291,575	541,567	193,708	325,232	518,940

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

The charity has no recognised gains or losses.

The information presented within the Statement of Financial Activities for the year ended 31 December 2021 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 17 to 25 form part of these financial statements.

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Balance Sheet

As at 31 December 2021

Company number: 5289161

	Notes	2021 £	2021 £	2020 £	2020 £
Tangible fixed assets	7		8,895		14,983
Current assets					
Debtors	8	63,379		91,954	
Cash and cash equivalents	9	<u>625,845</u>		<u>569,976</u>	
		689,224		661,930	
Creditors: amounts falling due within one year	10	(156,552)		(157,973)	
Net current assets			<u>532,672</u>		<u>503,957</u>
Net assets			<u>541,567</u>		<u>518,940</u>
Funds of the Charity					
Unrestricted funds	12		249,992		193,708
Restricted funds	12		<u>291,575</u>		<u>325,232</u>
			<u>541,567</u>		<u>518,940</u>

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 24th June 2022 and were signed on its behalf by:

Paul Holbrook
Chair of Trustees

The notes on pages 17 to 25 form part of these financial statements.

Mission Direct Limited
Statement of Cash Flows
For Year ended December 2021

Company number: 5289161

	2021 £	2020 £
Cash flows from operating activities:		
Net income	22,627	(22,491)
Depreciation	6,088	8,844
Interest received	(1,964)	(2,671)
(Increase)/Decrease in debtors	28,575	(3,826)
Increase/(Decrease) in creditors	(1,421)	18,964
Net cash inflow/(outflow) from operating activities	53,905	(1,180)
Cash flows from investing activities		
Purchase of fixed assets	-	(288)
Interest received	1,964	2,671
Net increase in cash & cash equivalents	55,869	1,203
Opening cash and cash equivalents	569,976	568,773
Movement in the year	55,869	1,203
Closing cash and cash equivalents	625,845	569,976

The notes on pages 17 to 25 form part of these financial statements.

Mission Direct Limited

Notes to the financial statements

For the year 31 December 2021

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) (i) 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.

(ii) Going Concern

The trustees have reviewed detailed cash flow projections and have agreed detailed budgets for the year ended 31 December 2022. 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 income 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.

Income from the Government Job Retention Scheme is included in income when receivable.

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Notes to the financial statements (continued)

For the year 31 December 2021

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.

Termination payments of statutory redundancy payments are included when payable.

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.

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Notes to the financial statements (continued)

For the year 31 December 2021

- 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.

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Notes to the financial statements (continued)
For the year 31 December 2021

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 2021 £	Total 2020 £
Cost of generating voluntary income	5,670	8,888	14,558	16,489
Direct Programme Delivery	159,150	349,327	508,477	637,955
Support cost	34,017	21,224	55,241	62,824
Governance cost	-	6,000	6,000	7,800
	<u>198,837</u>	<u>385,439</u>	<u>584,276</u>	<u>725,068</u>

4. Net income/(expenditure)

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

	2021 £	2020 £
Auditor's remuneration: Statutory audit fees	6,000	7,800
Non-audit accounting fees	600	600
Depreciation - owned assets	6,087	8,844
Operating lease charge	6,656	6,672

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5. Staff costs

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

	2021	2020
	No.	No.
Management and administration	2	2
Direct charitable activities	3	6
	<u>5</u>	<u>8</u>

	2021	2020
	£	£
Gross wages and salaries	178,415	217,125
Statutory redundancy payments	-	1,771
Employer's National Insurance	14,533	15,993
Pension contributions	5,889	6,595
	<u>198,837</u>	<u>241,484</u>

No employee earned over £60,000 in 2021 (2020 – None).

Trustees' remuneration for the year ended 31 December 2021 was £nil (2020– £nil).

Remuneration of key management personnel for the year ended 31 December 2021 totalled £57,950 (2020 - £54,384).

Trustee/Directors Liability insurance premium for the year ended 31 December 2021 was £1,026 (2020 - £786)

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 £5,889 (2020: £6,595).

Contributions totalling £1,272 (2020: £1,142) 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.

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For the year 31 December 2021

7. Tangible fixed assets

	Leasehold Improvements	Computers	Office Equipment	Furniture	Program Assets	Total
	£	£	£	£	£	£
Cost						
At 1 January 2021	28,246	49,725	5,531	5,796	7,773	97,071
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 31 December 2021	<u>28,246</u>	<u>49,725</u>	<u>5,531</u>	<u>5,796</u>	<u>7,773</u>	<u>97,071</u>
Depreciation						
At 1 January 2021	17,068	49,412	4,999	5,428	5,182	82,089
Charge for year	2,794	157	177	368	2,591	6,087
Disposals	-	-	-	-	-	-
At 31 December 2021	<u>19,862</u>	<u>49,569</u>	<u>5,176</u>	<u>5,796</u>	<u>7,773</u>	<u>88,176</u>
Net book values						
At 31 December 2021	<u>8,384</u>	<u>156</u>	<u>355</u>	<u>-</u>	<u>-</u>	<u>8,895</u>
At 31 December 2020	<u>11,178</u>	<u>313</u>	<u>532</u>	<u>368</u>	<u>2,591</u>	<u>14,982</u>

8. Debtors

	2021 £	2020 £
Other debtors	50,965	79,615
Prepayments	12,413	12,339
	<u>63,378</u>	<u>91,954</u>

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9. Cash and cash equivalents

	2021	2020
	£	£
Short-term deposits (100 days or less)	192,361	190,757
Cash at bank	412,744	357,817
Cash overseas	12,301	9,670
Petty cash	8,439	11,732
	<u>625,845</u>	<u>569,976</u>

10. Creditors: amounts falling due within one year

	2021	2020
	£	£
Deferred income	136,485	141,098
Taxation and social security	9,713	5,378
Accruals	10,354	11,497
	<u>156,552</u>	<u>157,973</u>

Deferred Income

	2021	2020
	£	£
Opening balance	141,098	117,604
Released during the year	(9,656)	(73,618)
Income deferred in the year	5,043	97,112
Closing Balance	<u>136,485</u>	<u>141,098</u>

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

11. Financial Instrument

	2021	2020
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	<u>50,965</u>	<u>79,615</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>146,839</u>	<u>152,595</u>

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12. 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:

	Brought forward	Income	Expenditure	Transfers	Carried forward
	£	£	£	£	£
Unrestricted Funds					
United Kingdom	156,260	367,827	(246,165)	(48,430)	229,492
Brazil	1,500	-	-	-	1,500
Cambodia	1,500	-	-	-	1,500
The Dominican Republic	1,500	-	-	-	1,500
Gambia	1,500	-	-	-	1,500
India	1,500	-	-	-	1,500
Kenya	1,500	-	-	-	1,500
Malawi	500	-	-	-	500
Moldova	1,500	-	-	-	1,500
Sierra Leone	1,500	-	-	-	1,500
Uganda	4,500	1,500	(2,804)	1,304	4,500
Zambia	2,000	-	(2,405)	2,405	2,000
Zimbabwe	1,500	-	-	-	1,500
Additional Campaign Cost	16,948	25,200	(86,869)	44,721	-
Total Unrestricted	193,708	394,527	(338,243)	-	249,992
Restricted Funds					
Brazil	8,187	3,364	(6,098)	-	5,453
Cambodia	14,757	35,671	(20,159)	-	30,269
The Dominican Republic	58,945	19,558	(27,015)	-	51,488
Gambia	75	-	-	-	75
India	6,667	10,500	(5,500)	-	11,667
Kenya	34,252	20,822	(24,500)	(2,250)	28,324
Malawi	7,134	657	-	-	7,791
Moldova	6,071	1,380	-	-	7,451
Sierra Leone	25,954	2,704	(3,722)	-	24,936
Uganda	66,867	53,710	(81,253)	2,250	41,574
United Kingdom	18,294	-	(5,400)	-	12,894
Zambia	48,529	58,644	(66,795)	-	37,973
Zimbabwe	29,500	5,366	(5,591)	-	29,275
Total Restricted	325,232	212,376	(246,033)	-	291,575
Total Funds	518,940	606,903	(584,276)	-	541,567

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Note 12 (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.

13. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Tangible fixed assets	8,895	-	8,895	14,983
Debtors	63,379	-	63,379	91,954
Cash	334,270	291,575	625,845	569,976
Current Liabilities	(156,552)	-	(156,552)	(157,973)
Total net assets	249,992	291,575	541,567	518,940

14. Operating lease commitments

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

	2021 £	2020 £
Office equipment expiring in less than 1 year	6,322	6,322
Office equipment expiring between 1 year and 5 years	6,407	12,729
	<u>12,729</u>	<u>19,051</u>

15. Trustee Donations, expenses and related party disclosures

- i. Unrestricted donations received from trustees and key management personnel during the year totalled £16,300 (2020 - £26,984)
- ii. Mission Direct's policy is that Trustee's do not claim expenses
- iii. There were no related party transactions during 2021 (2020 - None)