

Mission Direct Limited  
(Known as Mission Direct)

Report and financial statements  
For the year ended 31 December 2016

Mission Direct Limited  
Report and financial statements  
For the year ended 31 December 2016

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# Mission Direct Limited

## Legal and Administrative Information

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### Constitution

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

### Patrons

The Lord Mackenzie of Luton  
Rt. Hon Theresa May MP  
Rt. Rev Dr Alan Smith, Bishop of St Albans

### Directors and Trustees

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

Peter Wright (Chair)  
Felicity Cooper  
Neil Denniss  
Paul Holbrook  
Tim Martindale  
Terry Murphy  
Keith Stevens  
Mark Vickers

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:

Alan McCormick

### Registered office:

Mission Direct, 27 Bury Mead Road, Hitchin, Herts, SG5 1RT

### Principal Bankers:

Barclays Bank, George Street, Luton, LU1 2AE

### Auditors:

Mazars LLP, The Pinnacle, 160 Midsummer Boulevard, Milton Keynes, MK9 1FF.

# Mission Direct Limited

## Notes to the financial statements

### For the year 31 December 2016

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The Trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 December 2016. The financial statements comply with the Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015). They also comply with the Financial Reporting Standard 102 (effective 2015) and the charity's Memorandum and Articles of Association. The accounts have been prepared in accordance with the accounting policies on pages 14 to 16.

#### **Objectives and Activities**

##### **Vision**

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

##### **Mission**

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

##### **Values**

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

Walk straight

Act right

Tell the truth

##### **Ethos**

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

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

# Mission Direct Limited

## Report of the Trustees (continued)

### For the year ended 31 December 2016

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#### **Charity's Objects**

Mission Direct's objects are:

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

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

#### **Public Benefit**

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

#### **Principal Areas of Work**

The volunteer model has enabled a few thousand volunteers to work in partnership with the world's materially poor. In going, each person makes a significant personal impact, directly engaging supporters and leaving a legacy of enduring relationships and projects. During 2016, Mission Direct brought help and hope in 12 locations across 11 countries: Brazil, Cambodia, The Dominican Republic, India, Kenya, Malawi, Moldova, Sierra Leone, Uganda, Zambia, and Zimbabwe.

#### **Principal Funding Sources**

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

In 2016, we continued our fund raising, with emphasis on individual donors, major donors, and trusts. We proactively care for our donors, provide them with information about the positive impact the work is having and express our gratitude. Direct Mail remains an effective means to raise awareness of the work and develop a long term income stream.

During 2016 Mission Direct has worked with Petra Fundraising. The partnership is intended to yield a growth in the funds raised whilst ensuring compliance with fundraising standards and guidelines.

A £100k fund was allocated to support the fundraising activities of which £74k was spent in 2016. However since the summer of 2015 fundraising has received such poor press in the media and this has damaged the trust between the public and charities. In addition legislation has been revised which has resulted in a number of fundraising methods being no longer financially viable. These

# Mission Direct Limited

## Report of the Trustees (continued)

### For the year ended 31 December 2016

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events have negatively impacted Mission Direct and the return on investment on its fundraising plan has reduced from the anticipated >0.5 to <0.3.

#### **Achievements and Performance**

In 2016 - 364 volunteers from all walks of life, supported by 45 self-funding overseas staff, served on 42 mission trips in 11 of the world's poorest countries.

The impact the teams continue to make is truly remarkable as each person gave of themselves and performed countless acts of kindness. Our partners often comment how much they were helped and the significant number of lives that were impacted.

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

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

Below are a few highlights from each country.

#### **Brazil**

We took 10 volunteers on 2 teams and started building work on 4 homes with our principal partner, the local 'Open Hands' charity. The houses will be used to re-home families escaping from life in favelas.

#### **Cambodia**

We took 40 volunteers on 4 teams, including a Medical training team and a Teacher training team. We continued to work with our partner, Pastor Sara and we built homes for four families who had previously lived on a rubbish dump as well as some educational facilities within Tarsha's Legacy Centre and Hope Village. We built bamboo homes next to the rubbish dump enabling families to have the first step out of poverty.

#### **The Dominican Republic**

We took 40 volunteers on 4 teams and continued to work with our partner, the Samaritan Foundation. Our main project was to install a water line in a new village.

#### **India**

We took 15 volunteers on 3 teams and worked with our partner, the Emmanuel Hospital Association in Lalitpur, south of Delhi. We refurbished the hospital's Outpatients Department.

#### **Kenya**

We took 30 volunteers on 4 teams. In 2016 we worked with Sister Clemencia who is building a school for disabled children. The teams worked on the construction of a dormitory for boys with disabilities which opened in September.

# Mission Direct Limited

## Report of the Trustees (continued)

### For the year ended 31 December 2016

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#### **Malawi**

We took 3 volunteers on 1 team and continued to work with our South African missionary partner. We have continued to develop the school adding a classroom and teacher accommodation.

#### **Moldova**

We took 17 volunteers on 3 teams and worked with Carmen, a Dutch missionary, to restore the homes of 3 vulnerable families enabling them to stay in their houses safely over the winter period.

#### **Sierra Leone**

We took 41 volunteers who worked at a number of projects including the building of a bakery at a school, two classrooms, a clinic and the renovation of hospital rooms.

#### **Uganda - Kumi**

We took 29 volunteers on 3 teams, including a Pastor training team. We continued working with our partner, the PAG Church. We constructed 2 classrooms and a toilet block at the Akibui School, at Township school we renovated classrooms, and replaced a classroom roof. In addition 3 traditional African mud huts were renovated.

#### **Uganda - Rukungiri**

We took 59 volunteers on 5 teams, including a Medical training team and a Teacher training team. We continued to work with our partners, the Diocese, the local hospital and Chilli Children. We provided medical and teacher training along with building a dormitory at Kitazigurukwa Primary School for disabled children. The new dormitory was opened in November enabling another twenty disabled children to attend school.

#### **Zambia**

We took 60 volunteers on 8 teams, including a Medical training team and an IT specialist team. We continued work with our many partners. We provided medical training and the IT team installed 60 computers. We completed our main project which was to build a Refuge Centre with Vision of Hope with accommodation for 30 girls escaping life on the street. In addition a further classroom was built at Garden Hill School.

#### **Zimbabwe**

We took 20 volunteers on 3 teams and continued to work with our partner, the United Baptist Church of Zimbabwe. We built 2 classrooms that will enable a further 100 children to start school.

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

#### **Teacher Training Trips**

We took 14 volunteers on 5 teams and continued to work with our partners. This year we added Cambodia as a venue.

#### **Medical Missions**

We ran 6 Medical training teams with 12 volunteers in Cambodia, Sierra Leone, Uganda and Zambia.

#### **IT Specialist Missions**

We ran 1 IT specialist team with 2 volunteers in Zambia where we installed 60 computers.

# Mission Direct Limited

## Report of the Trustees (continued)

### For the year ended 31 December 2016

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#### Financial Review

The Trustees consider the financial performance to be good. They are grateful to all the staff who helped make this possible. The Trustees have key financial policies in place and undertake appropriate risk assessments. Monthly accounts and KPIs ensure appropriate timely management information is available.

Incoming resources were £61,000 (5.38%) less than in 2015 on unrestricted funds mainly as a result of no legacies being received in the year. Restricted funds for the project work increased by £65,000 (12.1%) over 2015. Expenditure on unrestricted funds continued to be well controlled but with the fundraising initiative included (see previous comments on page 3) and the effects of the adverse fluctuation in exchange rates following the EU Referendum resulted in a £92,000 (8.6%) increase over 2015. Expenditure was marginally down on restricted project funds mainly because of the timing of some of our projects.

#### Plans for Future Periods

The three strategic initiatives for 2017 are:

1. Develop Mission Direct UK mission trips
2. Increase brand awareness
3. Secure a sustainable financial model for the long-term

#### Structure Governance and Management

Mission Direct Trustees bring vital core strategic, governance and tactical competencies to the organisation. The Trustees are delighted that the Rt. Hon Theresa May MP, The Lord McKenzie of Luton and the Rt. Reverend Dr Alan Smith, Bishop of St Albans continue as Patrons.

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

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



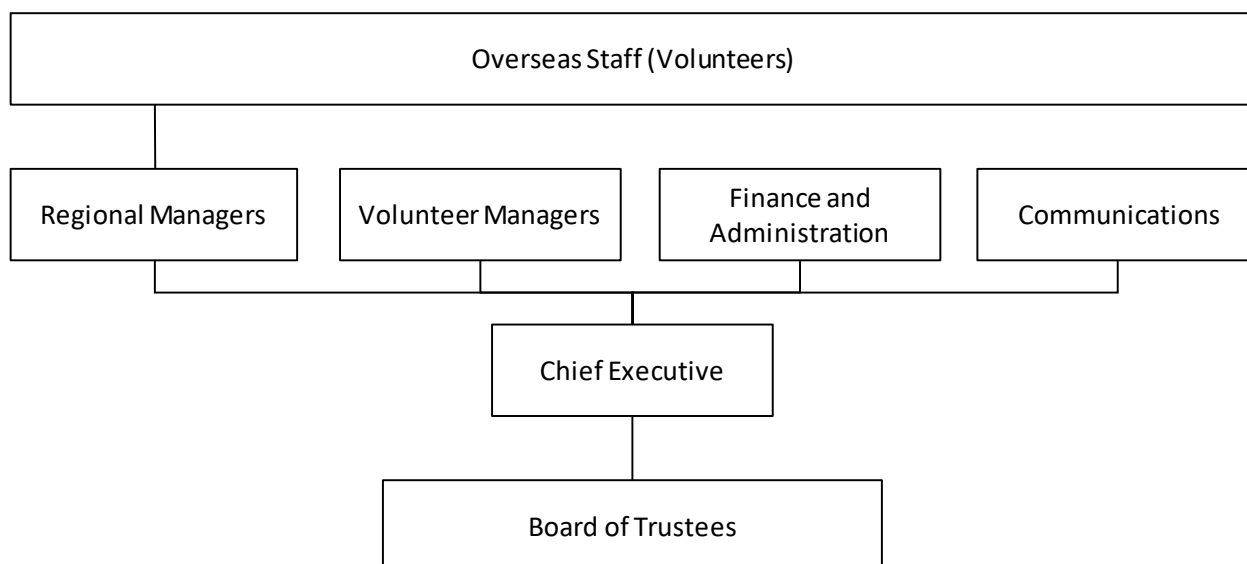
# Mission Direct Limited

## Report of the Trustees (continued)

### For the year ended 31 December 2016

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Mission Direct's organisation chart is:



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

### Principal risks and uncertainties

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

### Reserves Policy

It is the policy of the charity to maintain minimum unrestricted funds, which are the free reserves of the charity, at a level which equates to approximately three months' unrestricted expenditure. This level is £100,000 and provides sufficient funds to cover management, administrative and support costs and to cover such unexpected costs as arise from time to time. The Trustees are happy with the current level of reserves held at the year-end of £137,082 but will continue to monitor this in the future.

### 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.

# Mission Direct Limited

## Report of the Trustees (continued)

### For the year ended 31 December 2016

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

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

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

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

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

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.

#### **Auditors**

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

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

Approved by the Trustees and signed on their behalf by:

Peter Wright  
Chair of Trustees

17 March 2017

# Mission Direct Limited

## Independent Auditor's Report to the Members of Mission Direct

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We have audited the financial statements of Mission Direct Limited for the year ended 31 December 2016 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **Respective responsibilities of trustees and auditors**

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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. 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.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2016 and of its incoming resources and application of resources, including 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.

### **Opinion 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' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

# Mission Direct Limited

## Independent Auditor's Report to the Members of Mission Direct

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

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

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

- adequate 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 Trustees' Report.

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

# Mission Direct Limited

## Statement of Financial Activities

### For the year ended 31 December 2016

		Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £
	Notes						
<b>Income and endowments</b>							
Donations and legacies							
- Donations		1,076,098	610,444	1,686,542	1,085,782	544,652	1,630,434
- Legacies		-	-	-	51,486	-	51,486
Investment income		4,156	-	4,156	4,428	-	4,428
<b>Total incoming resources</b>	<b>2</b>	<b>1,080,254</b>	<b>610,444</b>	<b>1,690,698</b>	<b>1,141,696</b>	<b>544,652</b>	<b>1,686,348</b>
<b>Expenditure</b>							
Costs of Raising Funds		103,144	-	103,144	24,706	-	24,706
Charitable activity							
- Charitable activity costs		975,964	495,505	1,471,469	968,119	510,229	1,478,348
- Support activity		91,151	-	91,151	85,485	-	85,485
Loss on Disposal of Fixed Asset		683	-	683	28	-	28
<b>Total resources expended</b>	<b>3</b>	<b>1,170,942</b>	<b>495,505</b>	<b>1,666,447</b>	<b>1,078,338</b>	<b>510,229</b>	<b>1,588,567</b>
<b>Net income/(expenditure)</b>	<b>4</b>	<b>(90,688)</b>	<b>114,939</b>	<b>24,251</b>	<b>63,358</b>	<b>34,423</b>	<b>97,781</b>
Transfers between funds		-	-	-	-	-	-
<b>Net movement in funds</b>		<b>(90,688)</b>	<b>114,939</b>	<b>24,251</b>	<b>63,358</b>	<b>34,423</b>	<b>97,781</b>
<b>Total funds 1 January</b>		<b>261,229</b>	<b>249,368</b>	<b>510,597</b>	<b>197,871</b>	<b>214,945</b>	<b>412,816</b>
<b>Total funds 31 December</b>		<b>170,541</b>	<b>364,307</b>	<b>534,848</b>	<b>261,229</b>	<b>249,368</b>	<b>510,597</b>

The charity's incoming resources and resources expended all relate to continuing operations.

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

The information presented within the Statement of Financial Activities for the year ended 31 December 2016 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 14 to 21 form part of these accounts.

Mission Direct Limited  
Balance Sheet  
As at 31 December 2016

Company number: 5289161

	Notes	2016 £	2016 £	2015 £	2015 £
Tangible assets	7		33,459		28,917
Current assets					
Debtors	8	83,483		122,396	
Cash at bank and in hand		598,323		538,325	
		<u>681,806</u>		<u>660,721</u>	
Creditors: amounts falling due within one year	9	(180,417)		(179,041)	
Net current assets			<u>501,389</u>		<u>481,680</u>
			<u>534,848</u>		<u>510,597</u>
Reserves					
Unrestricted funds	10		170,541		261,229
Restricted funds	10		364,307		249,368
			<u>534,848</u>		<u>510,597</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 17 March 2017 and were signed on its behalf by:

Peter Wright - Trustee

The notes on pages 14 to 21 form part of these accounts.

Mission Direct Limited  
Statement of Cash Flows  
For Year ended December 2016

Company number: 5289161

	2016 £	2015 £
<b>Cash flows from operating activities:</b>		
Net incoming resources	24,251	97,781
Depreciation	5,490	13,352
Loss/(Surplus) on sale of fixed assets	683	28
Interest received	(4,156)	(4,428)
Trade and other receivables	38,913	(37,190)
Trade and other payables	1,376	52,711
<b>Net cash inflow from operating activities</b>	<b>66,557</b>	<b>122,253</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(10,716)	(31,445)
Proceeds from disposal of fixed assets	-	-
Interest received	4,156	4,428
<b>Net increase in cash &amp; cash equivalents</b>	<b>59,998</b>	<b>95,237</b>
 Opening cash and cash equivalents	 538,325	 443,089
Movement in the year	59,998	95,236
<b>Net increase in cash &amp; cash equivalents</b>	<b>598,323</b>	<b>538,325</b>

The notes on pages 14 to 21 form part of these accounts.

# Mission Direct Limited

## Notes to the financial statements

### For the year 31 December 2016

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

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

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

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.

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

The financial statements have been prepared under the historical cost convention on a going concern basis, and in accordance with applicable accounting standards. In preparing the financial statements the charity follows best practice as set out in the Statement of Recommended Practice: 'Accounting and Reporting by Charities' (SORP), the Financial Reporting Standard applicable in the United Kingdom and Ireland (FRS102) and the Charities and Companies Acts. The use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability the company to continue as a going concern.

##### **c) Incoming resources**

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

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

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

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

##### **d) Resource expended**

Resources expended are 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.



# Mission Direct Limited

## Notes to the financial statements (continued)

### For the year 31 December 2016

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**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:

Computers	- 3 years
Office Equipment	- 5 years
Furniture	- 10 years
Program Assets	- 2 years
Motor Vehicles	- 5 years
Leasehold Improvements	- Lease Duration

**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.

**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.

# Mission Direct Limited

## Notes to the financial statements (continued)

### For the year 31 December 2016

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**l) Cash and Cash equivalents**

Cash and cash equivalents are cash and short term highly liquid investments with a short maturity of three months 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) Judgments in applying accounting policies and key sources of estimation uncertainty**

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are 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 are 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.

The key estimates and assumptions made in these accounts are the allocation of central support costs which are allocated on a basis using an estimated time and effort percentage.

## 2. Incoming resources

Incoming resources are attributable to the principal activities set out in the Charity's vision, mission and values. See note 10 for more details.

## 3. Total resources expended

	Staff costs £	Other Costs £	Total 2016 £	Total 2015 £
Cost of generating voluntary income	6,662	96,482	103,144	24,706
Direct Programme Delivery	202,565	1,268,904	1,471,469	1,478,348
Support cost	39,973	51,178	91,151	85,485
Loss on disposal	-	683	683	28
	<u>249,200</u>	<u>1,417,247</u>	<u>1,666,447</u>	<u>1,588,567</u>

# Mission Direct Limited

## Notes to the financial statements (continued)

### For the year 31 December 2016

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

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

	2016 £	2015 £
Auditors' remuneration:		
Statutory audit fees	7,500	7,500
Depreciation - owned assets	5,490	13,352
Directors'/Trustees' emoluments and other benefits	-	-
(Profit)/Loss on disposal of fixed assets	683	28

#### 5. Staff costs

The average number of full time employees working for the charity during the period, on a full-time equivalent basis, was as follows:

	2016 No.	2015 No.
Management and administration	2	2
Direct charitable activities	6	7
	<u>8</u>	<u>9</u>

	2016 £	2015 £
Gross wages and salaries	227,232	220,000
Employer's National Insurance	19,475	19,772
Pension contributions	2,493	1,234
	<u>249,200</u>	<u>241,006</u>

No employee earned over £60,000 in 2016 (2015: None).

Trustees' remuneration for the year ended 31 December 2016 was £nil (2015– £nil).

Remuneration of key management personnel for the year ended 31 December 2016 totalled £50,795 (2015 - £49,992).

#### 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 £2,493 (2015: £1,234).

# Mission Direct Limited

## Notes to the financial statements (continued)

### For the year 31 December 2016

Contributions totalling £968 (2015: £215) 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.

## 7. Tangible fixed assets

	Leasehold Improvements	Computers	Office Equipment	Furniture	Program Assets	Total
	£	£	£	£	£	£
Cost						
At 1 January 2016	28,246	38,395	14,309	4,690	5,515	91,155
Additions	-	10,716	-	-	-	10,716
Disposals	-	(4,358)	(1,340)	-	-	(5,698)
At 31 December 2016	28,246	44,753	12,969	4,690	5,515	96,173
Depreciation						
At 1 January 2016	3,093	36,970	11,971	4,690	5,515	62,239
Charge for year	2,795	2,000	695	-	-	5,490
Disposals	-	(4,358)	(657)	-	-	(5,015)
At 31 December 2016	5,888	34,612	12,009	4,690	5,515	62,714
Net book values						
At 31 December 2016	22,358	10,141	960	-	-	33,459
At 31 December 2015	25,153	1,425	2,338	-	-	28,917

## 8. Debtors

	2016 £	2015 £
Other debtors	50,185	79,446
Prepayments	33,298	42,950
	83,483	122,396

Mission Direct Limited  
Notes to the financial statements (continued)  
For the year 31 December 2016

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

	<b>2016</b>	<b>2015</b>
	£	£
Deferred income	146,454	153,991
Taxation and social security	6,097	4,817
Accruals	27,866	20,233
	<u>180,417</u>	<u>179,041</u>

Deferred Income

	<b>2016</b>	<b>2015</b>
	£	£
Opening balance	153,991	113,721
Released during the year	(153,991)	(113,721)
Income deferred in the year	146,454	153,991
Closing Balance	<u>146,454</u>	<u>153,991</u>

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

Mission Direct Limited  
Notes to the financial statements (continued)  
For the year 31 December 2016

## 10. 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 £
<b>Unrestricted Funds</b>					
United Kingdom	186,530	368,496	(456,148)	-	98,878
Brazil	1,500	28,408	(28,817)	409	1,500
Cambodia	1,500	62,924	(54,278)	(8,646)	1,500
The Dominican Republic	1,500	70,917	(84,574)	13,657	1,500
India	1,500	27,092	(22,326)	(4,766)	1,500
Kenya	1,500	64,371	(63,282)	(1,089)	1,500
Malawi	500	6,934	(5,931)	(1,003)	500
Moldova	1,500	15,381	(14,875)	(506)	1,500
Sierra Leone	1,500	57,801	(46,537)	(11,264)	1,500
Uganda	3,000	165,012	(143,257)	(20,255)	4,500
Zambia	3,500	99,050	(86,908)	(13,642)	2,000
Zimbabwe	1,500	34,500	(41,045)	6,545	1,500
Additional Campaign Cost	55,699	79,368	(122,964)	40,560	52,663
<b>Total Unrestricted</b>	<b>261,229</b>	<b>1,080,254</b>	<b>(1,170,942)</b>	<b>-</b>	<b>170,541</b>
<b>Restricted Funds</b>					
Brazil	21,802	18,126	(21,533)	-	18,395
Cambodia	25,930	28,351	(31,695)	-	22,586
The Dominican Republic	50,628	117,908	(86,663)	-	81,873
India	6,079	20,485	(11,675)	-	14,889
Kenya	8,008	46,041	(36,486)	-	17,563
Malawi	1,237	8,934	(5,002)	-	5,169
Moldova	12,931	3,865	(3,267)	-	13,529
Sierra Leone	18,268	59,589	(51,575)	-	26,282
Uganda	66,233	168,817	(147,558)	-	87,492
United Kingdom	593	-	-	-	593
Zambia	25,984	80,970	(68,008)	-	38,946
Zimbabwe	11,675	57,358	(32,043)	-	36,990
<b>Total Restricted</b>	<b>249,368</b>	<b>610,444</b>	<b>(495,505)</b>	<b>-</b>	<b>364,307</b>
<b>Total Funds</b>	<b>510,597</b>	<b>1,690,698</b>	<b>(1,666,447)</b>	<b>-</b>	<b>534,848</b>

# Mission Direct Limited

## Notes to the financial statements (continued)

### For the year 31 December 2016

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#### Note 10 (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.

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

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Tangible fixed assets	33,459	-	33,459	28,917
Debtors	83,483	-	83,483	122,396
Cash	234,016	364,307	598,323	538,325
Current Liabilities	(180,417)	-	(180,417)	(179,041)
Total net assets	170,541	364,307	534,848	510,597

#### 12. Operating lease commitments

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

	2016 £	2015 £
Office equipment expiring in less than 1 year	7,320	8,328
Office equipment expiring between 1 year and 5 years	24,940	3,402
Office equipment expiring in greater than 5 years	-	520

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

- Unrestricted donations received from trustees and key management personnel during the year totalled £37,480 (2015 - £18,989)
- Mission Direct's policy is that Trustees do not claim expenses
- There were no related party transactions during 2016 (2015 – None)