

Mission Direct Limited
(Known as Mission Direct)

Report and financial statements
For the year ended 31 December 2017

Mission Direct Limited
Report and financial statements
For the year ended 31 December 2017

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

Directors and Trustees

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

Peter Wright (Chair)
Felicity Cooper
Neil Denniss (resigned 17 March 2017)
Paul Holbrook
Tim Martindale
Terry Murphy
Ian Richardson (appointed 9 June 2017)
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

Auditor:

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

Mission Direct Limited

Report of the Trustees

For the year ended 31 December 2017

The Trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 December 2017. 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 15 to 17.

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 2017

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 2017, Mission Direct brought help and hope in 14 locations across 12 countries: Brazil, Cambodia, The Dominican Republic, India, Kenya, Malawi, Moldova, Sierra Leone, Uganda, UK, Zambia, and Zimbabwe.

Principal Funding Sources

Mission Direct's achievements are built on a foundation of mobilising people to raise funds for the building projects on which they have volunteered to work on. Their 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 the funds raised by the volunteers for a building project goes directly to the project the person is supporting.

In 2017, 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 2017 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.

Mission Direct Limited

Report of the Trustees (continued)

For the year ended 31 December 2017

Achievements and Performance

In 2017 – 408 volunteers from all walks of life, supported by 51 self-funding overseas staff, served on 44 mission trips in 11 of the world's poorest countries and 36 volunteers supported 4 self-funding staff served on 3 mission trips in the UK.

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

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

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

Below are a few highlights from each country.

Brazil

We took 23 volunteers on 3 teams and worked on building 2 homes with our principal partner, the local 'Open Hands' charity. The houses will be used to re-home families escaping from life in favelas. We also built 2 classrooms in Rio with our partner CADI to teach robotics and sewing to the children in favelas, giving them an alternative to a life of crime.

Cambodia

We took 34 volunteers on 5 teams, including a Medical training team and a Teacher training team. We continued to work with our partner, Pastor Sara and we built 3 homes at Tarsha's Legacy Centre and Happy Village. We also built a floating school in Siem Reap which will provide education for children denied an education in the local school.

The Dominican Republic

We took 29 volunteers on 4 teams and worked with Go MAD, where we built a new home and a community centre in Caraballo.

India

We took 22 volunteers on 2 teams and worked with our partner, the Emmanuel Hospital Association in Lalitpur, south of Delhi. We built 2 houses, as well as refurbished the hospital's eye department.

Kenya

We took 26 volunteers on 3 teams. The teams worked on building two classrooms at Emmaus School, as well as improve the accommodation that is provided by Pastor Robert to help the boys who live on the streets. We also concreted the floor at Nkapilli School, and built a cow shed.

Mission Direct Limited

Report of the Trustees (continued)

For the year ended 31 December 2017

Malawi

We took 1 volunteer on 1 team and continued to work with our South African missionary partner. The official opening of the school took place in September.

Moldova

We took 24 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 53 volunteers on 6 teams who worked at a number of projects including completing the two classrooms at the Quarry school. We also completed our commitment to help build the pharmacy at the SDA hospital.

Uganda - Kumi

We took 55 volunteers on 5 teams and built 2 classrooms at Bazaar School.

Uganda - Rukungiri

We took 49 volunteers on 4 teams and worked on the construction of a physiotherapy room.

UK Mission Trips

We took 36 volunteers on 3 teams and worked with the Phoenix Community Care in London, and Inside Out in Preston. We refurbished 3 homes for unaccompanied minors and worked within the community.

Zambia

We took 69 volunteers on 6 teams, including a Medical training team and an IT specialist team who installed 48 computers. We completed construction of phase 2 with Vision of Hope, which was the building of a multi-purpose room, kitchen, toilet and pantry. We also built 1 classroom at Garden Hill School, and refurbished classrooms at Good Shepherd School.

Zimbabwe

We took 23 volunteers on 2 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 8 volunteers on 2 teams and continued to work with our partners.

Medical Missions

We ran 2 Medical training teams with 4 volunteers in Cambodia and Zambia.

IT Specialist Missions

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

Mission Direct Limited

Report of the Trustees (continued)

For the year ended 31 December 2017

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 £102,000 (9.5%) more than in 2016 on unrestricted funds mainly as a result of sending more volunteers overseas in the year. Restricted funds for the project work reduced by £148,000 (12.1%) over 2016. Expenditure on unrestricted funds continued to be well controlled but with the increased numbers of volunteers sent overseas resulted in a £76,000 (6.96%) increase over 2016. 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 2018 are:

1. Recruit 550 overseas volunteers by 2020
2. In-country customer care and pastoral focus
3. Leverage our ATOL licence

Structure Governance and Management

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

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

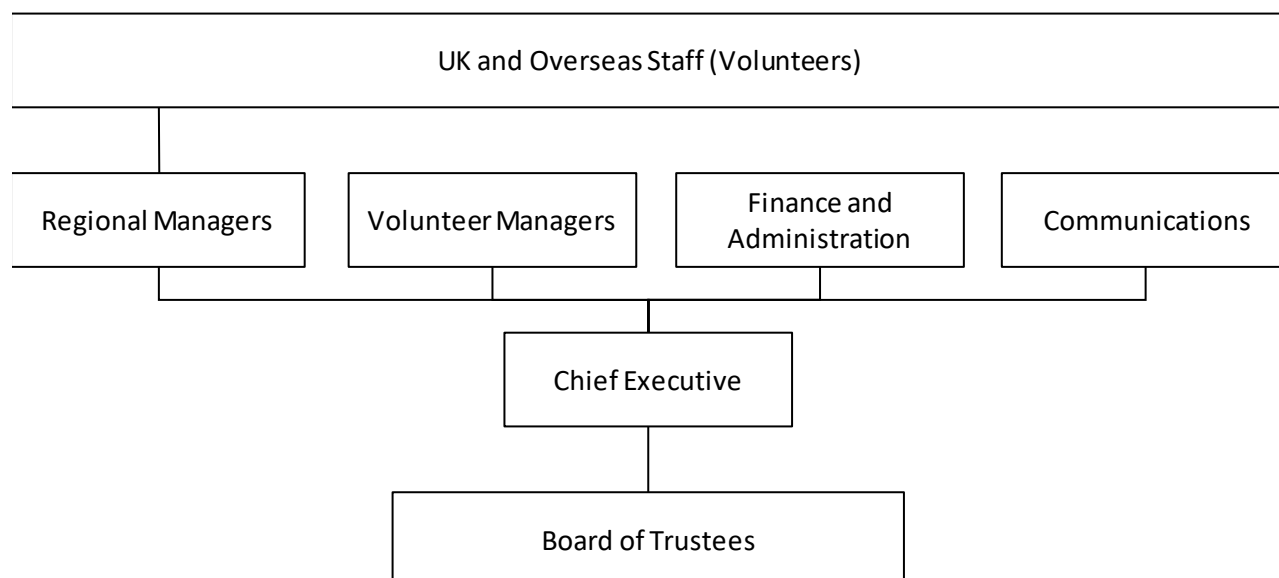
Management responsibilities are clearly defined and the Trustee group operates based on the Carver Model.

Mission Direct Limited

Report of the Trustees (continued)

For the year ended 31 December 2017

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 a minimum of unrestricted funds, which are the free reserves of the charity, at a level which equates to approximately three months' unrestricted expenditure. This level is currently £80,000 and provides sufficient funds to cover management, administrative and support costs and to cover such unexpected costs as arise from time to time. The Trustees are happy with the current level of reserves held at the year-end of £180,625 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 2017

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 Auditor

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

Auditor

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

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

Approved by the Trustees and signed on their behalf by:

Peter Wright
Chair of Trustees

9 March 2018

Mission Direct Limited

Independent Auditor's Report to the Members of Mission Direct

Opinion

We have audited the financial statements of Mission Direct Limited (the 'charity') for the year ended 31 December 2017 which comprise of the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2017 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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard. 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.

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.

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

Mission Direct Limited

Statement of Financial Activities

For the year ended 31 December 2017

		Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £
	Notes						
Income and endowments							
Donations and legacies							
- Donations		1,179,429	462,706	1,642,135	1,076,098	610,444	1,686,542
- Legacies		-	-	-	-	-	-
Investment income		3,292	-	3,292	4,156	-	4,156
Total incoming resources	2	1,182,721	462,706	1,645,427	1,080,254	610,444	1,690,698
Expenditure							
Costs of Raising Funds		23,313	-	23,313	103,144	-	103,144
Charitable activity							
- Charitable activity costs		1,069,861	483,352	1,553,213	975,964	495,505	1,471,469
- Support activity		79,463	-	79,463	91,151	-	91,151
Loss on Disposal of Fixed Asset		-	-	-	683	-	683
Total resources expended	3	1,172,637	483,352	1,655,989	1,170,942	495,505	1,666,447
Net income/(expenditure)	4	10,084	(20,646)	(10,562)	(90,688)	114,939	24,251
Transfers between funds		-	-	-	-	-	-
Net movement in funds		10,084	(20,646)	(10,562)	(90,688)	114,939	24,251
Total funds 1 January		170,541	364,307	534,848	261,229	249,368	510,597
Total funds 31 December		180,625	343,661	524,286	170,541	364,307	534,848

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 2017 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 15 to 22 form part of these accounts.

Mission Direct Limited
Balance Sheet
As at 31 December 2017

Company number: 5289161

	Notes	2017 £	2017 £	2016 £	2016 £
Tangible fixed assets	7		36,000		33,459
Current assets					
Debtors	8	68,093		83,483	
Cash and cash equivalents	9	605,639		598,323	
		<u>673,732</u>		<u>681,806</u>	
Creditors: amounts falling due within one year	10	(185,446)		(180,417)	
Net current assets			<u>488,286</u>		<u>501,389</u>
			<u>524,286</u>		<u>534,848</u>
Reserves					
Unrestricted funds	11	180,625		170,541	
Restricted funds	11	343,661		364,307	
		<u>524,286</u>		<u>534,848</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 9 March 2018 and were signed on its behalf by:

Peter Wright
Chair of Trustees

The notes on pages 15 to 22 form part of these accounts.

Mission Direct Limited
Statement of Cash Flows
For Year ended December 2017

Company number: 5289161

	2017 £	2016 £
Cash flows from operating activities:		
Net (outgoing)/incoming resources	(10,562)	24,251
Depreciation	9,504	5,490
Loss on sale of fixed assets	-	683
Interest received	(3,292)	(4,156)
Decrease in debtors	15,390	38,913
Increase in creditors	5,028	1,376
Net cash inflow from operating activities	16,068	66,557
Cash flows from investing activities		
Purchase of fixed assets	(12,044)	(10,716)
Interest received	3,292	4,156
Net increase in cash & cash equivalents	7,316	59,998
Opening cash and cash equivalents	598,323	538,325
Movement in the year	7,316	59,998
Net increase in cash & cash equivalents	605,639	598,323

The notes on pages 15 to 22 form part of these accounts.

Mission Direct Limited

Notes to the financial statements

For the year 31 December 2017

1. Principal accounting policies

a) General information

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

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

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

b) Basis of preparation

The financial statements have been prepared under the historical cost convention on a going concern basis, and in accordance with applicable accounting standards. In preparing the financial statements the charity follows best practice as set out in the Statement of Recommended Practice: 'Accounting and Reporting by Charities' (SORP), the Financial Reporting Standard applicable in the United Kingdom and Ireland (FRS102) and the Charities and Companies Acts. The use of the going concern basis of accounting is appropriate because, in the opinion of the Trustees, there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the charitable 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) Resources 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 2017

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 2017

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.

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 2017 £	Total 2016 £
Cost of generating voluntary income	5,634	17,679	23,313	103,144
Direct Programme Delivery	188,556	1,364,657	1,553,213	1,471,469
Support cost	33,807	45,656	79,463	91,151
Loss on disposal	-	-	-	683
	<u>227,997</u>	<u>1,427,992</u>	<u>1,655,989</u>	<u>1,666,447</u>

Mission Direct Limited

Notes to the financial statements (continued)

For the year 31 December 2017

4. Net income/(expenditure)

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

	2017 £	2016 £
Auditors' remuneration: Statutory audit fees	6,600	7,500
Depreciation - owned assets	9,504	5,490
Directors'/Trustees' emoluments and other benefits	-	-
Loss on disposal of fixed assets	-	683

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:

	2017 No.	2016 No.
Management and administration	2	2
Direct charitable activities	5	6
	<u>7</u>	<u>8</u>

	2017 £	2016 £
Gross wages and salaries	206,804	227,232
Employer's National Insurance	17,596	19,475
Pension contributions	3,597	2,493
	<u>227,997</u>	<u>249,200</u>

No employee earned over £60,000 in 2017 (2016: None).

Trustees' remuneration for the year ended 31 December 2017 was £nil (2016– £nil).

Remuneration of key management personnel for the year ended 31 December 2017 totalled £39,634 (2016 - £50,795).

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 £3,597 (2016: £2,493).

Contributions totalling £457 (2016: £968) were payable to the fund at the balance sheet date and are included in creditors.

Mission Direct Limited
Notes to the financial statements (continued)
For the year 31 December 2017

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						
2017	28,246	44,753	12,969	4,690	5,515	96,173
Additions	-	12,044	-	-	-	12,044
Disposals	-	(10,293)	-	-	-	(10,293)
At 31 December						
2017	28,246	46,504	12,969	4,690	5,515	97,924
Depreciation						
At 1 January						
2017	5,888	34,612	12,009	4,690	5,515	62,714
Charge for year	2,795	6,281	428	-	-	9,504
Disposals	-	(10,293)	-	-	-	(10,293)
At 31 December						
2017	8,683	30,600	12,437	4,690	5,515	61,925
Net book values						
At 31 December						
2017	19,564	15,904	532	-	-	36,000
At 31 December						
2016	22,358	10,141	960	-	-	33,459

8. Debtors

	2017 £	2016 £
Other debtors	28,332	50,185
Prepayments	39,761	33,298
	<u>68,093</u>	<u>83,483</u>

Mission Direct Limited
Notes to the financial statements (continued)
For the year 31 December 2017

9. Cash and cash equivalents

	2017	2016
	£	£
Short-term deposits (100 days or less)	182,780	179,898
Cash at bank	392,449	384,845
Cash overseas	19,736	24,478
Petty Cash	10,674	9,102
	<u>605,639</u>	<u>598,323</u>

10. Creditors: amounts falling due within one year

	2017	2016
	£	£
Deferred income	160,654	146,454
Taxation and social security	3,275	6,097
Accruals	21,517	27,866
	<u>185,446</u>	<u>180,417</u>

Deferred Income

	2017	2016
	£	£
Opening balance	146,454	153,991
Released during the year	(146,454)	(153,991)
Income deferred in the year	160,654	146,454
Closing Balance	<u>160,654</u>	<u>146,454</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 2017

11. Funds

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

	Brought forward £	Income £	Expenditure £	Transfers £	Carried forward £
Unrestricted Funds					
United Kingdom	98,878	366,271	(368,175)	(3,041)	93,933
Brazil	1,500	52,901	(45,468)	(7,433)	1,500
Cambodia	1,500	69,846	(70,018)	172	1,500
The Dominican Republic	1,500	54,196	(49,553)	(4,643)	1,500
India	1,500	38,406	(36,304)	(2,102)	1,500
Kenya	1,500	48,034	(42,817)	(5,217)	1,500
Malawi	500	4,668	(4,349)	(319)	500
Moldova	1,500	23,217	(16,393)	(6,824)	1,500
Sierra Leone	1,500	89,703	(85,997)	(3,706)	1,500
Uganda	4,500	178,774	(148,431)	(30,343)	4,500
Zambia	2,000	123,424	(112,542)	(10,882)	2,000
Zimbabwe	1,500	42,108	(52,630)	10,522	1,500
Additional Campaign Cost	52,663	91,173	(139,960)	63,816	67,693
Total Unrestricted	170,541	1,182,721	(1,172,637)	-	180,625
Restricted Funds					
Brazil	18,395	29,704	(26,722)	-	21,377
Cambodia	22,586	32,006	(29,242)	-	25,350
The Dominican Republic	81,873	46,409	(49,196)	-	79,086
India	14,889	16,634	(21,882)	-	9,641
Kenya	17,563	29,624	(32,219)	-	14,968
Malawi	5,169	15,569	(16,770)	-	3,968
Moldova	13,529	3,484	(13,159)	-	3,854
Sierra Leone	26,282	45,609	(49,533)	-	22,358
Uganda	87,492	104,380	(124,150)	-	67,722
United Kingdom	593	9,674	(5,658)	-	4,609
Zambia	38,946	99,915	(70,690)	-	68,171
Zimbabwe	36,990	29,698	(44,131)	-	22,557
Total Restricted	364,307	462,706	(483,352)	-	343,661
Total Funds	534,848	1,645,427	(1,655,989)	-	524,286

Mission Direct Limited

Notes to the financial statements (continued)

For the year 31 December 2017

Note 11 (continued)

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

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

12. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Tangible fixed assets	36,000	-	36,000	33,459
Debtors	68,093	-	68,093	83,483
Cash	261,978	343,661	605,639	598,323
Current Liabilities	(185,446)	-	(185,446)	(180,417)
Total net assets	180,625	343,661	524,286	534,848

13. Operating lease commitments

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

	2017 £	2016 £
Office equipment expiring in less than 1 year	7,320	7,320
Office equipment expiring between 1 year and 5 years	17,620	24,940
Office equipment expiring in greater than 5 years	-	-
	24,940	32,260

14. Trustee Donations, expenses and related party disclosures

- Unrestricted donations received from trustees and key management personnel during the year totalled £33,279 (2016 - £37,480)
- Mission Direct's policy is that Trustees do not claim expenses
- There were no related party transactions during 2017 (2016 – None)