

Company no. 08176249
Charity no. 1149904

Medic to Medic Ltd
Report and Unaudited Financial
Statements
31 August 2017

Medic to Medic Ltd

Reference and administrative details

For the year ended 31 August 2017

Company number	08176249
Charity number	1149904
Registered office and operational address	NPIMR (TT Block) Northwick Park Hospital Watford Road Harrow Middlesex HA1 3UJ
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: Dr Richard Banks (appointed 02/12/2017) Dr Maddy Gupta-Wright (appointed 04/06/2017) Dr Cathy Madden (appointed 04/06/2017) Dr Adrian Mandeville Dr Kate Mandeville Paul Purcell (appointed 02/12/2017) Caroline Schmutte (appointed 04/06/2017) Dr Fiona Tamsin Lillie (appointed 15/07/2017, resigned 29/12/2017)
Secretaries	Sheena Jaggiwan (appointed 04/06/2017) Paul Purcell (resigned 04/06/2017)
Management committee	Dr Kate Mandeville Dr Adrian Mandeville
Chief executive officer	Dr Tamsin Lillie
Bankers	Lloyds TSB Bank PLC 286-288 Station Road Harrow Middlesex HA1 2EB
Independent examiners	Godfrey Wilson Limited Chartered accountants and statutory auditors 5th Floor Mariner House 62 Prince Street Bristol BS1 4QD

Medic to Medic Ltd

Report of the trustees

For the year ended 31 August 2017

The trustees present their report and accounts for the year ended 31 August 2017.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities (effective from January 2015).

Structure, governance and management

The charity is a company limited by shares.

During the latter part of the year, our Chief Executive Officer Dr Tamsin Lillie was appointed as a director of the company. Paul Purcell stepped down as Company Secretary after nearly 5 years in that office, and this position was then filled by Sheena Jaggiwan.

In order to expand our collective skill set and increase our networks for promotion, fundraising and global health initiatives, three new trustees were appointed: Dr Maddy Gupta-Wright, Dr Cathy Madden and Caroline Schmutte. They were also appointed directors of the company.

The management committee, who are also the directors for the purpose of company law, who served during the period, were:

- Dr Kate Louise Mandeville
- Dr Adrian Nicholas Mandeville

Management committee members are elected or appointed on an annual basis, with officers being elected from the membership of the management committee.

None of the management committee members have any beneficial interest in the company. All of the members of the company have guaranteed to contribute £10 in the event of a winding up.

The management committee has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Objectives and activities

The charity is established to support trainee healthcare workers throughout their education, so that they can perform to the best of their ability, to add to the absolute numbers of health workers in training, to target those who are under-represented in the health profession, to increase the number of health workers in underserved areas, to raise awareness of the different conditions facing health professionals worldwide and to have an appreciation of the global health community.

The charity was established by a Trust Deed dated 26 November 2012 and is registered with the Charity Commission under the number 1149904. It was incorporated on 13 August 2012.

Public benefit statement

The trustees confirm that they have had due regard for the Charity Commission guidance on public benefit when reviewing the charity's aims and objectives.

Medic to Medic Ltd

Report of the trustees

For the year ended 31 August 2017

Achievements and performance

It is the policy of the charity that all funds are used for furtherance of its objectives.

The attached financial statements show the current state of finances which the trustees consider to be sound.

The charity's bankers are Lloyds Bank plc located at Harrow, Middlesex.

Review of charitable activities

What a year of emotions this has been! It started off full of worry at the news that tuition fees at the University of Malawi (where the majority of our students study) had increased by 600%, and has ended on a high where we have formulated more partnerships, seen our largest cohort of students graduate and welcomed more members to our board of trustees.

Fortunately, the tuition fees increases at the University of Malawi have remained stable following their dramatic increase at the start of the 2016/17 academic year. In the year ahead we expect there to be modest increases in tuition fees at the University of Mzuzu and at St John of God College.

We currently support 26 undergraduate students at the Malawi College of Medicine comprising 16 medical students, five physiotherapy students and five pharmacy students. At the University of Mzuzu we have 12 undergraduate nursing students, and one student nurse training in psychiatry at St John of God College, bringing our total number of students in Malawi to 39.

During this year, with the encouragement of our UK-based charity, an independent branch of Medic to Medic has been established in the USA. They successfully raised some initial funding, particularly from supporters in California, and made an emergency donation to support 33 medical, pharmacy and physiotherapy undergraduate students through their training during 2016/17 at the College of Medicine in Blantyre, who otherwise would have been left struggling following the fees increase.

In addition to our undergraduate students, we also have two postgraduate doctors training as paediatricians at Makerere University in Kampala (Uganda) and one Malawian postgraduate doctor training as a neurologist in South Africa, who is due to return to Malawi once training has been completed.

In August 2017 we celebrated the success of 10 of our students graduating from the Malawi College of Medicine as fully qualified health workers (our largest single group of students graduating in one year), bringing the total number of graduates that we have supported to 58, since the Medic to Medic programme commenced in 2007.

We keep in touch with our graduates through the Medic to Medic alumni network and look forward to working with them closely as they develop the Medic to Medic partner organization in Malawi. Through having such a local partnership on the ground, we will be able to make Medic to Medic more locally sustainable and responsible.

Medic to Medic Ltd

Report of the trustees

For the year ended 31 August 2017

Over the last 12 months we have strengthened new partnerships with St John of God College and look forward to supporting more upgrading students at this institution in the future. We have also had very productive meetings with the faculty at Ekwendeni College of Health Sciences (training clinical officers) and Kamuzu College of Nursing and look forward to developing these partnerships in the coming months. This will bring the total number of universities where we work in Malawi to five.

In the UK we continue to build upon existing partnerships with the University of Dundee and University of East Anglia.

None of this would be possible without the generosity of our sponsors. Their loyalty and continued support is immensely important to our students and the core team who work tirelessly to keep the organization running smoothly.

There will always be challenges ahead of us, which include the threats of increasing tuition fees and the rising cost of living across Malawi. This year has proven that we have been able to weather the storms and come out of it stronger than when we started.

Reserve policy and contingency position

We have an existing policy to build up a reserve fund which would be sufficient to see the current cohort of students through to graduation, in the unfortunate event of the winding up of the charity. This policy has not come to practical fruition during the current year, and efforts will be stepped up next year to at least make a start on putting aside some funds to this effect.

A preliminary analysis indicates that the total income, including Gift Aid claims, that we receive in a typical year from our regular donors is about £29,000. After allowing £2,000 of this for the essential costs of keeping the charity going, such as, for example, accountants' fees and registering with the Financial Regulator, the remaining £27,000 would just be sufficient to cover the tuition fee contributions and student allowances that we distribute to our present group of students.

However, under this contingency scenario, substantial savings would need to be made by cancelling the two monitoring visits to Malawi that we conduct each year, closing down the charity's office at Northwick Park, and not issuing laptops, medical equipment and books to the students. Because our monthly income is fairly steady, but expenditure is composed of a number of infrequent large payments, such as tuition fee contributions to College of Medicine and Mzuzu University, it is estimated that a reserve fund of £12,000 would be needed to ensure that no cash flow problems were encountered during the first year of this four year contingency period, over which the charity would be gradually wound down.

Financial review

During this accounting year, 1 September 2016 – 31 August 2017, the charity's total income was £77,755 and total expenditure was £72,458. These two amounts were the highest recorded in the five year period since 1 September 2012, when the charity was first established as a financially independent institution. Total income exceeded total expenditure by £5,297. Unlike the large deficit of £15,362 incurred during the previous accounting year, this net amount was positive. However it was modest compared to the surpluses of about £8,000, £12,000 and £19,000 recorded during the first three years.

Medic to Medic Ltd

Report of the trustees

For the year ended 31 August 2017

There was a notable increase over the accounting year in the monthly amount given by our regular donors, through direct debits and standing orders into our Lloyds Bank account, starting with £1,145 in September 2016 and reaching £1,430 by August 2017. One of the other main reasons for this high total income figure was a successful emergency crowdfunding appeal led by our Chief Executive Tamsin Lillie during September 2016. The need for this appeal arose because the College of Medicine in Malawi had informed us in July 2016 that the tuition fee contribution for each student was being increased by six fold. With only two months' notice prior to the start of term, this presented us with a major crisis, because at that time we were supporting a total of 39 students in various different years at the college. We were determined to continue to cover their tuition fee contributions, which were essential to them staying on at the college and successfully qualifying as new health workers for Malawi. The crowdfunding appeal raised £5,240 within a few weeks, and then one of our regular donors, realising our predicament, generously offered to match this appeal amount with a one-off donation of £5,000.

During this year, we received numerous generous donations from many donors based in the USA, including one for US \$10,098 from a group of doctors in California. We transferred a total of US \$16,390 in May 2017 to our newly established sister charity Medic to Medic USA, who used this funding to support a further group of 33 senior students at the College of Medicine. These students were struggling to pay their tuition fee contributions, which would have prevented them from qualifying and starting work in health facilities in Malawi.

In March 2017 Medic to Medic opened accounts at FDH bank in Malawi. Benefits of establishing these accounts include reducing the need for carrying large amounts of cash out from UK during monitoring visits to Malawi, and avoiding uncertainties brought about by exchange rate fluctuations.

Statement of responsibilities of the trustees

The trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

Medic to Medic Ltd

Report of the trustees

For the year ended 31 August 2017

The trustees confirm that to the best of their knowledge there is no information relevant to the independent examination of which the independent examiners are unaware. The trustees also confirm that they have taken all necessary steps to ensure that they themselves are aware of all relevant examination information and that this information has been communicated to the independent examiners.

Members of the charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up. The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Independent examiners

Godfrey Wilson Limited were appointed as independent examiners to the charitable company during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 20 February 2018 and signed on their behalf by



Adrian Nicholas Mandeville

Independent examiner's report

To the trustees of

Medic to Medic Ltd

I report to the trustees on my examination of the accounts of Medic to Medic Ltd (the company) for the year ended 31 August 2017, which are set out on pages 8 to 15.

Responsibilities and basis of report

As the charity's trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- (1) accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- (4) the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Alison Godfrey

Date: 22 FEBRUARY 2018

Alison Godfrey FCA

Member of the ICAEW

For and on behalf of:

Godfrey Wilson Limited

Chartered accountants and statutory auditors

5th Floor Mariner House

62 Prince Street

Bristol

BS1 4QD

Medic to Medic Ltd

Statement of financial activities *(incorporating an income and expenditure account)*

For the year ended 31 August 2017

	Note	Restricted £	Unrestricted £	2017 Total £	2016 Total £
Income from:					
Donations		3,869	73,885	77,754	43,311
Investments		-	1	1	-
Total income		3,869	73,886	77,755	43,311
Expenditure on:					
Raising funds		-	6,600	6,600	6,714
Charitable activities		3,439	62,419	65,858	51,959
Total expenditure	4	3,439	69,019	72,458	58,673
Net income / (expenditure)		430	4,867	5,297	(15,362)
Transfers between funds		59	(59)	-	-
Net movement in funds	6	489	4,808	5,297	(15,362)
Reconciliation of funds:					
Total funds brought forward		-	23,955	23,955	39,317
Total funds carried forward		489	28,763	29,252	23,955

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 12 to the accounts.

Medic to Medic Ltd

Balance sheet

As at 31 August 2017

	Note	£	2017 £	2016 £
Current assets				
Debtors	9	747	-	-
Cash at bank and in hand		<u>31,189</u>	<u>24,855</u>	<u>24,855</u>
		31,936		24,855
Liabilities				
Creditors: amounts falling due within 1 year	10	<u>(2,684)</u>	<u>(900)</u>	<u>(900)</u>
Net assets	11		<u>29,252</u>	<u>23,955</u>
Funds				
Restricted funds	12		489	-
Unrestricted funds				
General funds			28,761	23,953
Share capital			<u>2</u>	<u>2</u>
Total charity funds			<u>29,252</u>	<u>23,955</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477(2), and that no member or members have requested an audit pursuant to section 476 of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the Company keeps proper accounting records which comply with section 386 of the Act; and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 20 February 2018 and signed on their behalf by



Adrian Nicholas Mandeville - trustee

Medic to Medic Ltd

Notes to the financial statements

For the year ended 31 August 2017

1. Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Medic to Medic Ltd meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves. There are no material uncertainties about the charity's ability to continue as a going concern.

c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

d) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item, is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

Medic to Medic Ltd

Notes to the financial statements

For the year ended 31 August 2017

1. Accounting policies (continued)

f) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities on the following basis, which is an estimate based on direct costs:

Raising funds	9%
Charitable activities	91%

i) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

j) Cash at bank and in hand

Cash at bank and cash in hand includes 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.

k) Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

l) Financial instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently recognised at amortised cost using the effective interest method.

m) Foreign currency transactions

Transactions in foreign currencies are translated at rates prevailing at the start of the month. Balances denominated in foreign currencies are translated at the rate of exchange prevailing at the year end.

Medic to Medic Ltd

Notes to the financial statements

For the year ended 31 August 2017

1. Accounting policies (continued)

n) Transition to FRS 102

No restatement of the opening fund position was required in making the transition to FRS 102. The transition date was 1 September 2015.

2. Prior period comparatives

	Restricted £	Unrestricted £	2016 Total £
Income from:			
Donations	-	43,311	43,311
Total income	-	43,311	43,311
Expenditure on:			
Raising funds	-	6,714	6,714
Charitable activities	-	51,959	51,959
Total expenditure	-	58,673	58,673
Net expenditure and net movement in funds	-	(15,362)	(15,362)

3. Government grants

The charitable company does not receive government grants.

Medic to Medic Ltd

Notes to the financial statements

For the year ended 31 August 2017

4. Total expenditure

	Raising funds £	Charitable activities £	Support and governance costs £	2017 Total £	2016 Total £
Tuition fees, allowances and study support tools	-	45,807	-	45,807	29,140
Programme coordination	-	14,077	-	14,077	16,218
Governance costs	-	-	6,572	6,572	7,454
Fundraising	6,002	-	-	6,002	5,861
Sub-total	6,002	59,884	6,572	72,458	58,673
Allocation of support and governance costs	598	5,974	(6,572)	-	-
Total expenditure	6,600	65,858	-	72,458	58,673

5. Grants payable

Included within tuition fees, allowances and study support costs above are grants payable to institutions (Medic to Medic USA) of £14,490 (2016: £nil). All grants are paid to fund charitable activities. No support costs are allocated to grants payable.

6. Net movement in funds

This is stated after charging:

	2017 £	2016 £
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	Nil	Nil
Independent examiner's remuneration:		
▪ Independent examination (including VAT)	900	900

7. Staff costs and numbers

The charitable company has no paid staff. The key management personnel of the charitable company comprise the trustees, none of whom were remunerated in the current or prior reporting period.

8. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

Medic to Medic Ltd

Notes to the financial statements

For the year ended 31 August 2017

9. Debtors

	2017 £	2016 £
Accrued income	500	-
Prepayments	247	-
	<u>747</u>	<u>-</u>

10. Creditors : amounts due within 1 year

	2017 £	2016 £
Accruals	<u>2,684</u>	<u>900</u>

11. Analysis of net assets between funds

	Restricted funds £	Unrestricted funds £	Total funds £
Current assets	489	31,447	31,936
Current liabilities	-	(2,684)	(2,684)
Net assets at 31 August 2017	<u>489</u>	<u>28,763</u>	<u>29,252</u>

Medic to Medic Ltd

Notes to the financial statements

For the year ended 31 August 2017

12. Movements in funds

	At 1 September 2016 £	Income £	Expenditure £	Transfers between funds £	At 31 August 2017 £
Restricted funds					
Student support	-	3,744	(3,277)	22	489
Revision lectures	-	125	(162)	37	-
Total restricted funds	-	3,869	(3,439)	59	489
Unrestricted funds					
General funds	23,953	73,886	(69,019)	(59)	28,761
Share capital	2	-	-	-	2
Total unrestricted funds	23,955	73,886	(69,019)	(59)	28,763
Total funds	23,955	77,755	(72,458)	-	29,252

Purposes of restricted funds

Student support To cover student tuition fees and other education costs.

Revision lectures Funding to support the University of East Anglia revision lecture event.

Transfers between funds

Transfers between funds represent overspends on restricted funds subsidised by general funds.

13. Related party transactions

The share capital is held in equal proportions by Dr Kate Mandeville and Dr Adrian Mandeville, trustees of the charity. No distributions are permitted, nor made, to subscribers of the share capital in this period.

There were no other related party transactions in the current or prior reporting period.