

Company number: 3213889  
Charity Number: 1056731

# Medair UK

Report and financial statements  
For the year ended 31 December 2020

## Contents

### For the year ended 31 December 2020

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Reference and administrative information

For the year ended 31 December 2020

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Company number            3213889  
Country of incorporation    United Kingdom

Charity number            1056731  
Country of registration    (England & Wales, Scotland or Northern Ireland)

Registered office  
and operational address    333, Canterbury Court  
                                      1 – 3 Brixton Road  
                                      London  
                                      SW9 6ED

**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:

Christine Brindley  
Andrew Dipper              (Resigned 25<sup>th</sup> September 2020)  
Andrew Howe  
Tim Munteam                Chair – (appointed 27<sup>th</sup> May 2021)  
Rita McIntyre-Pantz  
Shelley Pigott  
Alexander Starling         Chair – (Resigned 21<sup>st</sup> May 2021)  
David Verboom             (Resigned 25<sup>th</sup> September 2020)  
Peter Wilson                 (Appointed 25<sup>th</sup> September 2020)

**Key management personnel**    Neil Casey      Director

**Bankers**                    HSBC  
                                      1 High Street  
                                      Harpenden  
                                      Hertfordshire  
                                      AL5 2RS

**Auditor**                    Sayer Vincent LLP  
                                      Chartered Accountants and Statutory Auditor  
                                      Invicta House  
                                      108–114 Golden Lane  
                                      LONDON  
                                      EC1Y 0TL

## Trustees' annual report

### For the year ended 31 December 2020

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The trustees present their report and the audited financial statements for the year ended 31 December 2020.

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, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

## Introduction from the Chair

This is not the first annual report to describe 2020 as a year like no other, nor it is likely to be the last. It will perhaps be many years before the full impact of the Covid-19 pandemic upon organisations like Medair UK and, more importantly, the people whom Medair seeks to help is properly understood.

At the start of the year few of us could have predicted the way that the SARS-CoV2 virus would so fully dominate the global consciousness. As the news stories began to circulate about an outbreak of a new virus in Wuhan, China, little did we know that almost every person on the planet would eventually come to be affected – either directly or indirectly – by Covid-19.

Our hearts go out to all those who have suffered loss, fear, isolation, unemployment, hardship, or who continue to battle the long-term health effects of this terrible disease. However, we also celebrate and take heart from the stories of community resilience, kindness and collaboration, scientific innovation and individual acts of heroism that have also been characteristic of this incredibly challenging time.

The negative impact on developing countries has been devastating, not just from Covid-19 but also from the collateral damage it creates, such as people already living in appalling conditions losing the ability to fend for themselves, or a reduction in other vital health programmes. The work of Medair, to reach the world's most vulnerable, is needed now more than ever. Medair RESPONDS by saving lives in emergencies; it REBUILDS by helping communities as they recover; and it STRENGTHENS by bringing hope for a better future.

Within the context of a global pandemic, the Medair UK team, led by Neil Casey, has been a beacon of light. They may have been hamstrung by limited resources, the departure of some staff members and crippling operational restrictions – even the sadness of personal bereavement – but as Trustees we have all been humbled to see their efforts. They have consistently worked flat out to deliver the mission of Medair UK, while also mastering the newly familiar challenges of working from home, *Zoom* meetings, home schooling, juggling childcare and many other across-the-board disruptions.

One of the main functions of Medair UK is to generate income for Medair's provision of emergency support in some of the world's most vulnerable places. I am delighted to report that Medair UK's income from donations grew by just under 23% to just over £693,000 for the 12 months to 31

December 2020. Careful cost control plus the inevitable reduction in spend due to the cancellation of various fundraising events led to a reduction in our overall expenditure for the year. This allowed us to substantially increase the amount transferred to support Medair's humanitarian programmes. There is more detail in the operational report below.

**Medair UK's financial position**

As of 31 December 2019, our total unrestricted funds (in effect our reserves) were slightly above £53,000, up just over 20% compared to 31 December 2018. A year later, on 31 December 2020, Medair UK's unrestricted funds stood at £80,522, an increase of c. 50% and in line with our reserves policy.

This is of course a snapshot in time – our unrestricted funds are monitored on an ongoing basis, and we file detailed monthly management accounts. Throughout the year we look to strike the appropriate balance between holding sufficient funds to operate and releasing funds to support Medair's humanitarian work. Ultimately, we do not wish to hold large reserves as we want to ensure that any excess is contributed to Medair's programmes, but there is of course a delicate balance to be struck between prudence and faith.

**Looking forward... with hope**

The health and economic impact of Covid-19 is likely to be felt for many years to come and experience tells us that the people who have least will continue to be disproportionately the most disadvantaged. As I write, international leaders are still discussing the pathways to 'vaccinate the world'. We are certainly not there yet, and many would argue that we remain a long way off, but we pray that new levels of global collaboration and inter-connectedness will be one of the fruits of this most difficult time. Until that time, Medair's work as a beacon of compassion will continue to focus on each and every life that we can provide care for.

I am hugely grateful for the work put in by Neil and his team at Medair UK, as well as the efforts of the wider Medair family. In particular, I would like to take a moment to express our gratitude to Alex Starling who stepped down as chair and as a trustee of Medair UK in May 2021 after nearly eight years of faithful service. We are immensely grateful to Alex for his energy, insight, wisdom and guidance and for his unswerving commitment to Medair and the people it seeks to help. Finally, and most of all, I am hugely grateful for the generosity and prayerful support of our wonderful and expanding team of supporters – many, many thanks.

Tim Mungeam  
Chair, Medair UK

## Purposes and aims

### Objects

Medair UK's objects are to relieve human need, hardship and suffering in whatever parts of the world, particularly by means of mobilizing and deploying human and material resources to provide appropriate relief and aid to distressed populations, without racial, political or religious discrimination.

In keeping with these objects, Medair UK raises financial resources and helps identify potential human resources in support of the multi-sectoral relief and recovery projects co-ordinated by Medair, based in Switzerland.

### Values

#### **Integrity**

We strive to live out our values and principles consistently at every level of the organisation, and in every location – from the most remote team to the global support office. Our desire is that, as we work together, our attitudes, words and actions will be true to Medair's vision and character.

#### **Hope**

We seek to bring hope to people devastated by crisis and caught in apparently hopeless situations. Together with the communities we serve, we strive to make sustainable improvements and increase their capacity to build a better future.

#### **Compassion**

We desire to relieve human suffering in times of crisis, disaster and conflict. We seek out people who are the most vulnerable, come alongside them and offer practical support through relief and recovery initiatives.

#### **Accountability**

We are committed to best practices in our management and operations, pursuing excellence in all that we do. We make ourselves accountable to our supporters, our staff, and those we serve, and seek input from them to help us improve our activities and procedures.

#### **Dignity**

We believe that each person is made in God's image and is therefore uniquely valuable and worthy of the highest respect. Consequently, we reach out to all in need, irrespective of their race, gender, religion, age or nationality. Wherever possible, we personalise our assistance, taking individual needs and circumstances into account, and respecting the dignity and independence of the people we serve.

#### **Faith**

Because we follow Jesus Christ, who taught that our highest goal is to love God and to care for those in need, we are motivated to care for those who suffer. Our faith inspires us to give our best

in all circumstances. By faith, we pray for wisdom when facing difficult decisions, and for courage to live and work in demanding and often dangerous situations.

## Objectives and activities

The charity's main activities and beneficiaries are described below. All Medair UK's charitable activities focus on the provision of resources in support of the multi-sectoral relief and recovery projects co-ordinated by Medair in Switzerland, and are undertaken to further Medair UK's charitable purposes for the public benefit.

As an affiliate office of the International Christian Humanitarian organisation Medair, based in Switzerland, the role of Medair UK, under the terms of the current affiliation agreement with Medair, which runs until 30th June 2021, is to:

- Raise awareness of the charitable work of Medair
- Raise funds and provide grants in the support of the charitable work of Medair
- Assist in the recruitment of field staff for Medair, and;
- Actively participate in the Medair prayer network.

Medair UK delivers these objectives and activities within Medair's "People to People" strategy that aims to reach 4 million people in need and have 1 million people engaged in Medair's mission by 2022. During 2020, representatives from the Medair UK board met with representatives from Medair's International Board of Trustees on various occasions to better understand the intention of the "covenant of partnership" that is being proposed as the replacement for the affiliate agreement. Whilst those discussions have been ongoing, Medair UK has been working, and continues to work with Medair in the spirit of the covenant of partnership, and seeks to confirm the relationship between the two organisations before the end of the affiliate agreement.

## Main Activities

The trustees review the aims, objectives and activities of Medair UK each year. The trustees also refer to the guidance contained in the Charity Commission's general guidance on public benefit. The review helps ensure that Medair UK's activities remain focussed on its stated purposes and are aligned with and supporting the delivery of Medair UK's strategic objectives. This report details the extent to which Medair UK delivered its goals in 2020, and the benefits the charity has brought to those groups of people it is set up to help.

### *Raise Awareness of the charitable work of Medair*

The events of 2020 required a significant adjustment in how we delivered our awareness raising activities. Christian festivals were either postponed or moved online. Medair UK was able to respond by moving our refugee experience online. We were able to participate in New Wine United 2020 as a result. Medair UK Alumni and International Relief Staff (IRS) play a key role in Medair UK's engagement strategy. By the end of 2020 we were engaging with 255 UK Alumni and IRS on a regular basis, out of which 130 are members of the Medair Folk: UK Facebook group. This

Trustees' annual report

For the year ended 31 December 2020

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engagement with UK Alumni and IRS led to a variety of positive developments in 2020 including new church relationships and strengthened existing church relationships.

*Raise funds and provide grants in the support of the charitable work of Medair*

During 2020, Medair UK transferred £1,256,720 of funds to support Medair's humanitarian programmes. £62,752 is being held at the year end and will be transferred in 2021.

*Assist in the recruitment of field staff for Medair.*

Work in this area was de-prioritised during the year. Medair no longer requires assistance in the recruitment of field staff by affiliate offices.

*Actively participate in the Medair prayer network.*

Medair UK plays a full and active role in the Medair prayer network. The Prayer Diary, a resource to help direct Medair's supporters in their prayers, was designed and produced by Medair UK until the end of December 2020. During 2020 Medair UK added 31 people to the Medair prayer network, increasing the number subscribing to receive the Prayer Diary on a quarterly basis to 1571. Medair UK has been instrumental in facilitating the prayer engagement for Medair's work from supporters in a number of countries, and it is encouraging to see this added value being carried forward by Medair in Switzerland.



## Beneficiaries of our services

Medair helps people who are suffering in remote and devastated communities around the world survive crisis, recover with dignity, and develop skills to build a better future. During 2020, Medair co-ordinated field operations in Afghanistan, Bangladesh, Democratic Republic of Congo, Jordan, Lebanon, Madagascar, Somalia, Sudan, South Sudan, Syria and Yemen and directly assisted 3,282,885 people.

96% of Medair UK's financial contribution in 2020 went to support Medair's programmes in the following countries; Bangladesh, Lebanon and Yemen.

### BANGLADESH

Ever since 57 year-old Amina\* and her husband Asif, 63, fled violence in Myanmar they have had only one wish; *"I want to go back. I was born there, it's where I have lived all my life"* says Asif. *"I am here but my soul is still beyond those hills"* adds Amina referring to the hills bordering Bangladesh and Myanmar. Now settled in Kutupalong Camp, life is, even in the best of times, incredibly challenging for the couple. Asif's health has deteriorated to the point where he is rarely able to get up, and now has to spend days lying on a mat on the floor. Amina dedicates all her efforts to help him get by. With the arrival of Covid-19 in the camp, there is little cause for optimism: *"I have heard rumours that the virus could spread across the whole camp. If it does, I don't want to imagine how it could affect us."* Shares Amina. To help them through this particularly difficult time, Amina and Asif, as well as many other vulnerable families like them, have received support through the distribution of household items provided by the International Organisation on Migration (IOM) and distributed by Medair staff and volunteers. Each kit contains blankets, tarpaulins, solar lights rope, a sleeping mat, a mosquito net and facemasks. During the distribution volunteers talk to families about preventative measures to help contain the spread of the virus. *"This information has also been useful to us,"* shares Hasan a 23-year old volunteer with Medair. *"I am washing my hands multiple*



*times a day, especially when entering my shelter. I have also taught these measures to my whole family."* The household items have help provide some relief for Amina and Asif. *"The materials are not only helpful to protect against the virus, but also keep us safe from mosquitoes."* While so much uncertainty surrounds their future Amina and Asif are determined to push on. *"We live in hope that we will get through this pandemic and be able to go home safely one day."*

*\*name changed*

## LEBANON

On 4<sup>th</sup> August 2020, an explosion devastated the city of Beirut. Those living in Beirut are still trying to cope in the aftermath of the blast. *"Shortly after the explosion people would come knocking at my door, offering me help and my reply has always been the same; God, please, yes! But now as the days pass I realize help is no longer knocking."* Said Saad from his home in Beirut. The climb up the stairs to Saad's door was difficult; the rain splashed heavily down the stairwell while our team scrambled up uneven, slippery stairs taking care not to trip over broken tiles. A few moments after we knocked, Saad opened the door into a dimly lit room. He moved slowly around the small space, showing us the two sections of the room, one ceiling lamp lighting the whole space. Saad points down at his foot wrapped in bandages saying *"due to high blood pressure and diabetes I have a severe condition in my foot that I cannot seem to get healed. After the explosion occurred and the building was severely damaged, it was physically impossible for someone in my condition to leave the room. Now with Lebanon's economic crisis, I haven't been able to get my medications properly. The building's stairs take the longest as I have to go really easy and slow. And now it becomes more challenging due to the slippery wet surfaces, so I usually yell out to*



*someone from the building to help me down."* As Saad speaks, water pools on the floor beside him. *"The only window I have shattered in the explosion occurred, and I haven't been able to replace it since. I haven't covered it because I need to breathe."* As part of Medair's response steps and handrails are now being installed to ensure Saad can leave his home safely. His window has been replaced to protect him from the cold and the rain. *"I am forever grateful for the help you are providing. For the first time I feel like my voice has been heard. Your presence here has given me hope", said Saad*

## YEMEN

In parts of Yemen, Medair covers the cost of renting an ambulance to facilitate transfers from Medair-supported health facilities and the rural district hospital to a larger referral hospital that can handle more complex cases. The cost of fuel and two drivers is covered by Medair, and two medical assistants who help care for the patient in-transport ensure that their specialised skills can stay in the communities that need them most. The ambulance service places a vital role in ensuring that patients receive the lifesaving medical support they need to survive. The journey between the health clinics and the referral hospital can take between two and a half and four hours, and in a medical emergency where every second counts, that journey, that can feel like a lifetime. Prior to the ambulance service, patients had to find their own way to reach the hospital, sometimes riding in the backs of pick-up trucks from one village to the next, or borrowing money to pay for transport. Our ambulance service was recently called out to a health clinic where a woman was having serious complications while giving birth. She urgently needed more specialist



medical attention, and the clinic staff quickly got her into the ambulance to be taken to the referral hospital. Incredibly – despite the complications – she gave birth in the back of the ambulance, assisted by the two medical assistants. Once she and her child had been checked over to ensure they were both safe and healthy, they were both returned home to celebrate the new arrival.

## Financial review

Medair UK's financial management goals in 2020 were to generate increased financial contribution to Medair's programmes, release that funding more rapidly, replenish unrestricted reserves where possible and to improve financial sustainability through increased recurring unrestricted funding. These goals have largely been met.

The Medair UK board set an overall expenditure limit for 2020 of £445,441, continuing the intention of reducing expenditure where possible. The 2020 expenditure represented a 4% reduction on the 2019 budget, and a 2% reduction on the actual 2019 expenditure. Total expenditure, less the restricted funds contribution to Medair's programmes was £378,024 in 2020, 85% of the expenditure budget, and £67,417 less than the ceiling set by the Medair UK board. These expenditure savings were achieved through a team restructure resulting in a smaller Medair UK, and savings on office expenditure through a move to a smaller office. The 15% expenditure savings were made in response to two significant external events impacting upon Medair UK's finances. These factors were the economic uncertainty arising from the Covid-19 pandemic, and Medair's decision to withdraw as Medair UK's implementing partner for a DfID grant for work with displaced Rohingya refugees in Bangladesh. Medair's decision meant it wasn't possible for Medair UK to receive the DfID funding as planned. Both these factors required Medair UK to make significant adjustments to its spending plans in order to meet its 2020 financial management goals.

The unrestricted reserves position at the end of 2020 was £80,522, a 51% increase on the year-end position in 2019, which was £53,495. This represents a positive result in the year and, whilst not fully replenishing Medair UK's general reserves to the desired levels, does move Medair UK very close to holding the equivalent of three months operating expenditure in reserve.

During 2020, we have continued the particular emphasis on improving financial sustainability. Fundraising activities with individual supporters have included a more specific request for regular giving via direct debit. This approach has yielded positive results. In 2020 Medair UK raised

## Trustees' annual report

### For the year ended 31 December 2020

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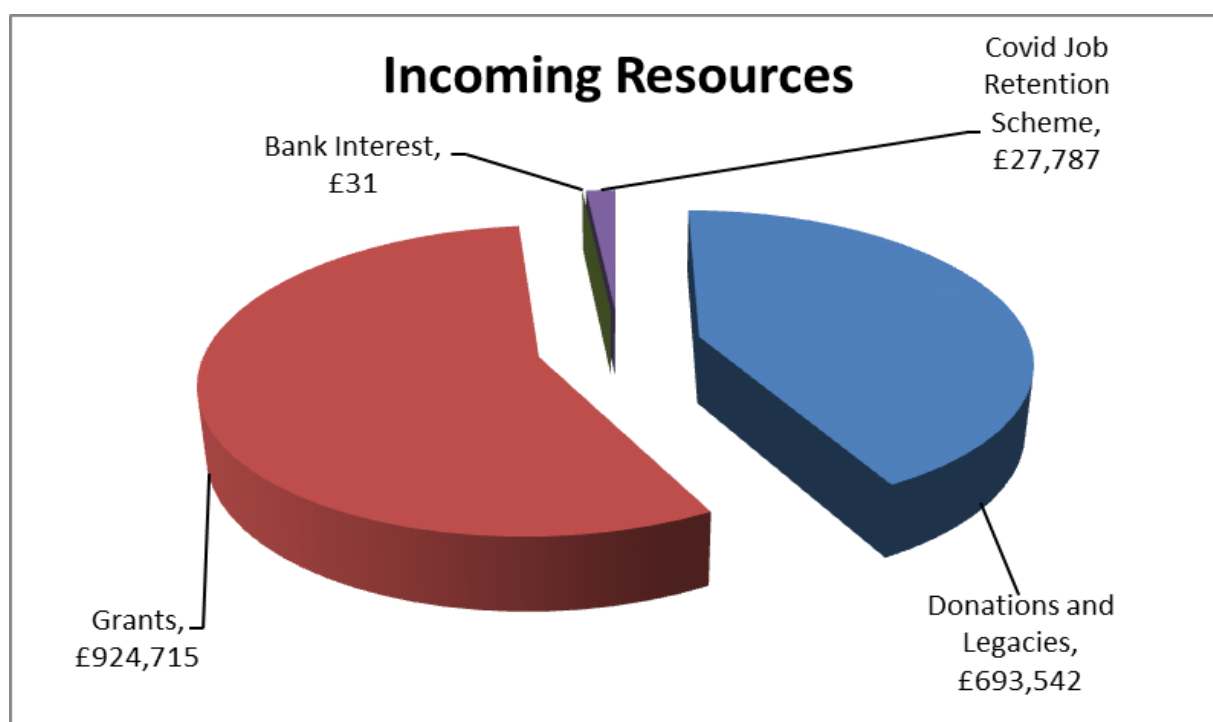
£395,749 from individuals, an increase of £43,707, 12% up on the 2019 figure. A significant proportion of this increase has come from regular giving. The focus on generating regular giving via direct debit will remain as a key element of Medair UK's fundraising strategy going forward.

One of the measures of Medair UK's effectiveness is the financial contribution that Medair UK makes to Medair's humanitarian programmes. Excluding funds raised from institutional donors, such as the MADAD fund, this figure is the net amount raised once appropriate costs have been applied. In 2019 this figure was £118,088. The 2020 contribution was £316,015 a 167% increase on the 2019 contribution.

### Incoming resources

Total income for the year amounted to £1,646,075. This compares to total income in 2019 of £565,221. The difference is largely due to two factors. The second tranche of funding, 1,019,726 Euros from the MADAD fund, a European Commission trust fund to support Medair's work with Syrian refugees in Lebanon, was received on 17<sup>th</sup> March 2020. Restricted income saw a significant increase in 2020 compared to 2019. Restricted donations in 2020 amounted to £368,654 compared with £136,228 in 2019, an increase of 171%. Overall income from donations increased from £564,801 in 2019 to £693,542 in 2020, an increase of just under 23%. In addition to the grant funding from MADAD, Medair UK was able to increase the amount of funding for Medair's programme in Bangladesh supporting Rohingya refugees displaced from Myanmar, secure significant funding for Medair's work in Yemen, and raise funding for three of Medair's emergency responses during the year; the response to the Covid-19 pandemic, the response to the Beirut explosion in Lebanon, and the Tigray displacement in Sudan. (see note 15a)

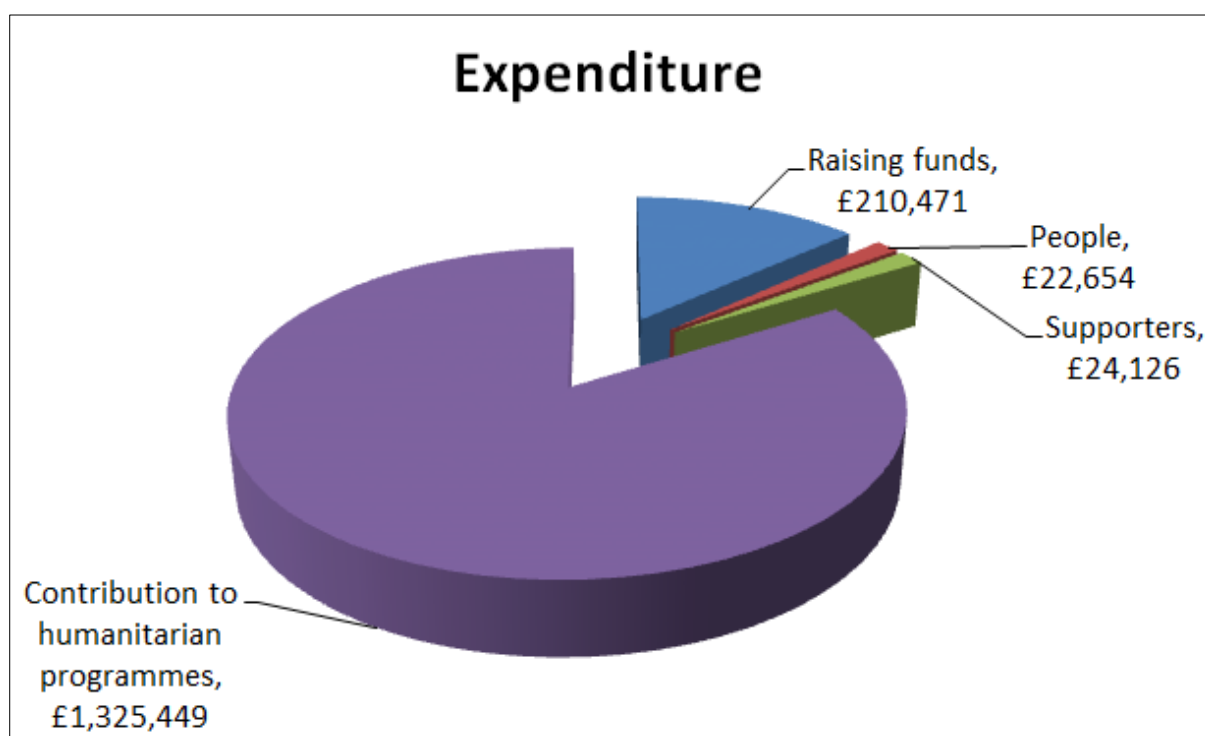
Please see notes 2 and 3 for details.



### Resources expended

Total expenditure for the year was £1,582,699, more than double the total expenditure in 2019. This increase is made up of increased contribution to Medair's programmes. The total amount of the MADAD funding, £927,536 equivalent was transferred to Medair during the year. Medair UK made additional contributions to Medair's programmes from funds raised in the year of £316,015. This additional contribution from donations compares with a total contribution to Medair's programmes in 2019 of £118,088, an increase of 167%. This increase was achieved through a combination of increased funds raised and expenditure reductions. Total operating expenditure in the year was £378,024 compared to £452,651 in 2019. The bulk of these cost savings came from reducing the size of the Medair UK team.

Please see note 4a for details.



### Funds

We closed the year with total funds of £194,732. This is £65,731 more than the previous year. During the year there was a deliberate intention to release funds restricted to support Medair's humanitarian programmes as soon as possible. 95% of funds of received in the year for Medair's programmes were transferred to Medair in the year. Of the total funds held at year end, £114,210 are restricted funds, made up of £51,457 of funds from MADAD funding, and £62,753 of other funds for Medair's humanitarian programmes yet to be transferred. Unrestricted funds at year end stood at £80,522, an increase of £27,028 in the year.

## Principal risks and uncertainties

Medair UK is committed to the highest standards of integrity, quality and professionalism in all aspects of its work. Throughout 2020, the trustees and the Director continued to review the demands on the organisation and ensured the mitigation and management of the risks it faces. Whilst the responsibility for monitoring the management of risks rest with the Medair UK board, the detailed review of the risk register falls within the remit of the Resources Committee, a sub-committee of the board. The resources committee meets regularly throughout the year and reports directly to the Medair UK board. The risk register identifies the strategic risks faced by Medair UK, assessing those risks according to their likelihood and potential impact, and identifies actions for management to mitigate the effect of those risks on Medair UK's operations. During 2020 the Trustees considered the principal strategic risks to be related to staffing, funding, supporter engagement, financial management, I.T infra-structure, compliance with regulatory requirements and the relationship with Medair. The Resources Committee and the Medair UK board that the mitigating actions taken by management in response to these strategic risks were appropriate and reasonable.

A cross-cutting risk that Medair UK responded to in 2020, and continues to do so in 2021, is the impact of the Covid-19 outbreak and the measures brought in to limit the impact of the spread of the virus. Medair UK implemented a number of specific mitigating measures. These included; the launch of an emergency funding appeal, remote working for all staff which is continuing as a direct response to government guidance and members of the staff team being placed on furlough as appropriate. Government guidance on Covid-19 continues to be followed.

## Reserves policy and going concern

Any funds accepted from private or institutional donors which provide for a specific restriction will always be honoured. These funds are recorded as restricted funds and are accounted for separately. All such funds allocated for specific field operations, are transferred to Medair (Switzerland) for use in the appropriate programme, once appropriate costs for expenditure incurred by Medair UK for raising these funds have been deducted. All general funds are first used to meet operational needs of Medair UK, in accordance with the annual budget approved by the Medair UK board.

The Medair UK board keeps the reserves policy, and its implementation, under regular review. The most recent revision to the policy was made in May 2019 when the policy was adjusted to the following:

*"The charity will hold unrestricted financial reserves to enable Medair UK's activities to continue for a period of three months."*

The Medair UK board is confident that the reserves policy, as stated above, provides the appropriate guidance for the management of Medair UK's financial reserves.

In order to continue for a period of three months, Medair UK needs to hold unrestricted financial reserves equivalent to thirteen weeks of staff costs, thirteen weeks costs associated with the administration of the charity's business and six months of accommodation costs in accordance with Medair UK's office lease. Applying the reserves policy to the 2020 operating budget of £445,411 the reserves target for year ending 31<sup>st</sup> December 2020 was £111,360. Medair UK was holding £53,594 of unrestricted general funds at the beginning of 2020, 48% of the reserve target. Cost reductions throughout the year reduced the level of reserves required to cover staff and other operating costs, such that the requirement at year end 31<sup>st</sup> December 2020 was £94,287. Unrestricted reserves at year end were £80,522, 85% of the reserves target.

The 2021 operating budget is £350,000. As such the reserves target for 2021 is £87,500. As stated above Medair UK was holding £80,522 unrestricted reserves at the start of the year, 92% of the target level. The policy of replenishing unrestricted reserves will continue to be followed in 2021.

The financial management measures that were introduced during 2019, are now fully embedded in Medair UK's financial management systems and continue to give the Medair UK board excellent visibility of Medair UK's financial performance in a timely way, providing greater ability to implement remedial action more quickly should this be necessary.

The Covid-19 pandemic, and its impact upon the economy add an additional requirement on the part of the trustees to continually monitor Medair UK's financial resilience. The 2020 budget was prepared with various safeguards built in. The 2020 expenditure envelope was maintained at 2019 levels, and pegged to unrestricted income, thus reducing any reliance on cost recovery from restricted funds to cover costs. A similar approach has been followed again in 2021. The operating budget for 2021 is £350,000. The average annual unrestricted income for the past six years is over £432,000, so well above the 2021 expenditure budget, with five out of those six years achieving actuals well in excess of £350,000. Further confidence comes from the focus on generating recurring unrestricted funds from regular donations. 31% of the expenditure budget for 2021 is generated from regular donations in place at the start of the financial year. 31% represents a significant improvement on the ratio at the beginning of 2020, when the position was 26%. The focus of the unrestricted fundraising strategy for Medair UK remains on increasing regular giving and similar levels of growth are anticipated in 2021. Funding from individuals, in particular high net worth individuals, is an important unrestricted income stream for Medair UK which has remained consistently strong for a number of years. 2021 targets for income from all individuals are 7% higher than 2020 actuals. This growth rate is consistent with actual performance over the last two years, where income from individuals has outperformed budget by, on average, 7%.

The majority of Medair UK's restricted income comes from trust and foundation fundraising. There is a cost recovery element to this activity. Medair UK's ability to cover its 2021 operating expenditure is not reliant upon cost recovery from trust and foundation fundraising, but cost recovery provides an additional source of contribution to Medair UK's core costs. All income streams, both restricted and unrestricted are performing in line with 2021 budget forecasts.



## Trustees' annual report

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Medair UK was able to off-set some of its expenditure through appropriate and judicious use of the Coronavirus Job Retention Scheme in 2020, and will continue to do so while the scheme is in place as appropriate. During 2020, in response to the uncertainty surrounding the economic impact of Covid-19, the Medair UK team went through a re-structure. The outcome of the process resulted in significant expenditure savings in the year, 15%, and a team structure and staffing capacity which is appropriately aligned to deliver Medair UK's funding targets going forward. Further expenditure reductions, 7% are being made in 2021,

The Medair UK board is confident that all reasonable measures are being taken to ensure Medair UK's ongoing financial resilience. It is the view of the Medair UK board that Medair UK is a going concern. The Medair UK board signs off the financial statements for year ending 31st December 2020 on that basis and will continue to monitor Medair UK's financial resilience in, and will take appropriate action, as appropriate if necessary..

## Fundraising

Medair UK's primary activity is to raise fund to support Medair's work to help people who are suffering in remote and devastated communities around the world survive crisis, recover with dignity, and develop skills to build a better future. It does this by generating financial support from individuals, trusts and foundations, churches and corporate entities through a variety of means. Medair UK is regulated by the Fundraising Regulator and abides by the Code of Fundraising Practice: [www.fundraisingregulator.org.uk/code](http://www.fundraisingregulator.org.uk/code). Medair UK is also regulated by the Information Commissioners Office (ICO) and complies with GDPR on the handling of supporter data: <https://ico.org.uk/for-organisations/>. Medair UK is also a member of the Institute of Fundraising: [www.institute-of-fundraising.org.uk/home/](http://www.institute-of-fundraising.org.uk/home/). Medair UK received one complaint in 2020.

Medair UK takes its responsibilities to its supporters and beneficiaries seriously. It has a comprehensive policy framework which ensures its practices are ethical and in keeping with the organisation's values: <https://www.medair.org/accountability/>

## Plans for the future

The focus of Medair UK's activity in 2021 will be to continue to increase regular committed giving through growing our donor base. This will be achieved through successful engagement in the following activities:

1. Supporter journeys
2. Digital platforms development
3. Embedding Salesforce
4. Research
5. Campaign plans
6. Supporter acquisition across all segments



## Trustees' annual report

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### *Supporter Journeys*

The ideal is that all of Medair UK's supporters go on a journey of increased engagement. We want all our prayer supporters to also be recipients of Medair News and become financial supporters. To broaden and deepen engagement we will continue to review and further develop supporter journeys for all of our supporter types. We have seen some success in this area in 2020, through the conversion of one off donors into committed givers, which will we continue to build on in 2021.

### *Digital platforms development*

A re-developed Medair website was launched during 2020. Medair UK has its own dedicated webpages and donation platform within this website. Medair UK will further develop these dedicated pages and platform to provide an enhanced supporter engagement experience for our various supporter constituencies.

### *Embedding Salesforce.org*

We will continue to invest in leveraging the capacity of Salesforce to increase supporter engagement and financial support. Where possible we will continue to integrate our various supporter engagement and finance systems to achieve efficiency savings, freeing up capacity for supporter acquisition and conversion to financial support.

### *Research*

A key activity in 2021 will be conducting research with our existing supporters to better understand their commitment and motivation to support Medair's work. The results of the research will help inform improvements in how we engage with our supporters, as well as reaching out to like-minded individuals who are not yet supporting Medair.

### *Campaign Plans*

We intend to run at least three fundraising campaigns in 2021. The Easter and Christmas campaigns continue to be successful campaigns. We also plan to roll out our Medair Sunday initiative with churches as means of raising profile, generating prayer support and increasing financial support..

### *Supporter conversion across all segments*

As stated the focus for the year is to increase regular committed giving through growing our donor base. To do this we need to convert our supporters from across all our supporter segments into donors. This will involve identifying potential donors, who are prayer supporters and/or Medair News subscribers, who are not yet donors. In addition we want to acquire new donors from within our current supporter base. We will also continue to develop the Medair Alumni Network in the UK, with a specific goal of securing additional financial support and generating new supporters.

## Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 19 June 1996 and registered as a charity on 11 July 1996.

The company was established under a memorandum of association that established the objects and powers of the charitable company and is governed under its articles of association.

## Medair UK Board of Trustees

Medair UK is governed by a board of trustees. In 2020 the Medair UK Board was made up of eight trustees, including one honorary officer (Chair, Company Secretary). The Chair, Secretary and other trustees are appointed by the Medair UK members by way of ordinary resolution at AGM. Trustees serve for a term of three years, with a maximum of three terms to be served.

Before appointing to the Board, existing trustees carry out a self-assessment process to identify areas for development and expertise desirable in new Board members. The trustees consider the attributes they believe to be most relevant in ensuring that the trustee body is best able to serve the charity's beneficiaries. The Board recruits and appoints new trustees by way of soliciting expressions of interest through Medair supporter networks. Prospects are assessed by way of an application and interview process. Upon approval, successful applicants are appointed to the Board by way of ordinary resolution by Medair UK members at the next AGM.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 10 to the accounts.

## Related parties and relationships with other organisations

Medair UK is affiliated to Medair, a humanitarian organisation, inspired by Christian faith to relieve human suffering in some of the world's most remote and devastated places. One of the Medair UK trustees, Peter Wilson, is also a member of the Medair International Board of Trustees.

## Organisation structure

In 2020, Medair UK's Board of trustees oversaw the work of the Director, staff team and volunteers, delegating responsibility for day-to-day decision-making to the Director.

## Remuneration policy for key management personnel

The responsibility for determining staff salaries for the tax year ahead lies with the Medair UK board. They delegate this responsibility to the resources committee, who make a recommendation to the Medair UK board for the remuneration award within the tax year. Remuneration is rewarded after considering:

- The purposes, aims and values of the charity and its beneficiary needs

## Trustees' annual report

For the year ended 31 December 2020

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- The types of skills, experiences and competencies that the charity needs from its senior staff, technical staff and the specific scope of these roles in the charity
- The charity's current business plan and how the implementation of this plan may affect the number of staff the charity needs to employ or recruit
- The charity's ability to pay; this includes the cost to the charity of raising pay, and whether it is sustainable, and how appropriate the level of pay, and any pay increase, is in the context of the charity and the economic climate
- Appropriate available information on pay policies and practices in other organisations that can help make the decision on whether a level of pay is fair and reasonable.

## Statement of responsibilities of the trustees

The trustees (who are also directors of Medair UK for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

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

In so far as the trustees are aware:

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Trustees' annual report**

**For the year ended 31 December 2020**

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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 total number of such guarantees at 31 December 2020 was six (2019: six). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

## **Auditor**

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report which includes the strategic report has been approved by the trustees on 1st July 2021 and signed on their behalf by

Tim Mungeam  
Chair

## Opinion

We have audited the financial statements of Medair UK (the 'charitable company') for the year ended 31 December 2020 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including 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 charitable company's affairs as at 31 December 2020 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
- Have been prepared in accordance with the requirements of the Companies Act 2006

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

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

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

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

## Other Information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. 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 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; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

## Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of

## Independent auditor's report

### To the members of

#### Medair UK

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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 charitable company'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 charitable company 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

## Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the board of Trustees, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
  - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
  - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.

## Independent auditor's report

### To the members of

#### Medair UK

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- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Orchard (Senior statutory auditor)

27 July 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL



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

For the year ended 31 December 2020

	Note	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
<b>Income from:</b>							
Donations and legacies	2	324,888	368,654	<b>693,542</b>	428,573	136,228	564,801
Charitable activities							
Grants from EU	3	–	924,715	<b>924,715</b>	–	–	–
Bank interest receivable		31	–	<b>31</b>	420	–	420
Covid Job Retention Scheme		27,787	–	<b>27,787</b>	–	–	–
<b>Total income</b>		<b>352,706</b>	<b>1,293,369</b>	<b>1,646,075</b>	<b>428,993</b>	<b>136,228</b>	<b>565,221</b>
<b>Expenditure on:</b>							
Raising funds		158,536	51,934	<b>210,470</b>	316,110	18,140	334,249
Charitable activities				–			
Profile		–	–	–	11,639	–	11,639
People		22,654	–	<b>22,654</b>	51,717	–	51,717
Supporters		24,125	–	<b>24,125</b>	27,664	–	27,664
Contribution to humanitarian programmes		119,896	1,205,553	<b>1,325,449</b>	27,381	283,621	311,002
<b>Total expenditure</b>	4a	<b>325,212</b>	<b>1,257,487</b>	<b>1,582,699</b>	<b>434,511</b>	<b>301,761</b>	<b>736,272</b>
<b>Net (expenditure)/income for the year</b>	6	<b>27,494</b>	<b>35,881</b>	<b>63,376</b>	<b>(5,518)</b>	<b>(165,533)</b>	<b>(171,051)</b>
Transfers between funds		–	–	–	16,424	(16,424)	–
<b>Net (expenditure)/income before other recognised gains and losses</b>		<b>27,494</b>	<b>35,881</b>	<b>63,376</b>	<b>10,905</b>	<b>(181,957)</b>	<b>(171,052)</b>
Other (losses)/gains		(466)	2,821	<b>2,355</b>	(1,665)	(3,782)	(5,447)
<b>Net movement in funds</b>	15	<b>27,028</b>	<b>38,702</b>	<b>65,731</b>	<b>9,240</b>	<b>(185,739)</b>	<b>(176,499)</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		53,494	75,506	<b>129,000</b>	44,254	261,245	305,499
<b>Total funds carried forward</b>		<b>80,522</b>	<b>114,209</b>	<b>194,731</b>	<b>53,494</b>	<b>75,506</b>	<b>129,000</b>

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 15 to the financial statements.

**As at 31 December 2020**

	Note	£	2020 £	£	2019 £
<b>Fixed assets:</b>					
Tangible assets	11		<b>563</b>		2,380
			<b>563</b>		2,380
<b>Current assets:</b>					
Debtors	12	20,815		17,724	
Cash at bank and in hand		<b>189,661</b>		<b>128,857</b>	
		<b>210,476</b>		<b>146,581</b>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	13	<b>(16,308)</b>		<b>19,961</b>	
<b>Net current assets</b>			<b>194,168</b>		126,620
<b>Total net assets</b>	15		<b>194,731</b>		<b>129,000</b>
<b>The funds of the charity:</b>	15				
Restricted income funds			<b>114,209</b>		75,506
Unrestricted income funds:					
General funds		<b>80,522</b>		<b>53,494</b>	
Total unrestricted funds			<b>80,522</b>		53,494
<b>Total charity funds</b>			<b>194,731</b>		<b>129,000</b>

Approved by the trustees on 1st July 2021 and signed on their behalf by

Tim Mungeam  
Chair

## Statement of cash flows

For the year ended 31 December 2020

	Note	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
<b>Net cash from /(used in) operating activities</b>	16		<b>58,417</b>		<b>(151,079)</b>
<b>Cash flows from investing activities:</b>					
Interest from investments		<u>31</u>		<u>420</u>	
<b>Net cash from investing activities</b>			<u>31</u>		<u>420</u>
<b>Change in cash and cash equivalents in the year</b>	17		<b>58,448</b>		<b>(150,660)</b>
Cash and cash equivalents at the beginning of the year			<b>128,857</b>		<b>284,963</b>
Change in cash and cash equivalents due to exchange rate			<u>2,355</u>		<u>(5,447)</u>
<b>Cash and cash equivalents at the end of the year</b>			<u><b>189,661</b></u>		<u><b>128,856</b></u>

**1 Accounting policies**

**a) Statutory information**

Medair is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address is 333 Canterbury Court, 1–3 Brixton Road, London SW9 6DE.

**b) Basis of preparation**

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

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

**c) Public benefit entity**

The charitable company meets the definition of a public benefit entity under FRS 102.

**d) Going concern**

In the trustees' report there is a review of financial performance and of the charity's reserves position. During the financial year ending 31st December 2020 there was an increase in unrestricted reserves. This resulted in further minimising any temporary reliance on restricted reserves for working capital. A further assessment of the risks associated with Medair UK's financial viability resulting from the Covid-19 pandemic has been undertaken. In the light of that risk assessment the trustees are of the opinion that there are adequate financial reserves and resources and the charity is well placed to manage business risks. The risk review process, and the financial projections made following the review, have taken into consideration the current economic climate and the potential impact on Medair UK's various sources of income and planned expenditure. The trustees are of the view that it is a reasonable expectation that there are adequate resources to continue operating for the foreseeable future.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

**e) Income**

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

Income from 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.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

**1 Accounting policies (continued)**

**f) Donations of gifts, services and facilities**

On receipt, donated gifts, 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.

**g) 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.

**h) Fund accounting**

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

**i) 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. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of monetary contributions to Medair (Switzerland) humanitarian aid programmes, supporting and promoting the recruitment of humanitarian aid workers, exhibitions, presentations and other educational activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

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

**j) Grants payable**

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

1 Accounting policies (continued)

k) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

● Fundraising	70%
● Profile	4%
● People	12%
● Supporters	1%
● Humanitarian programmes	13%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity’s activities.

l) Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities on a straight line basis over the minimum lease term.

m) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

● Fixtures and Fittings	5 years
● Office Equipment	5 years
● Computer Equipment	3 years

n) 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.

o) 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.

1 Accounting policies (continued)

p) Creditors and provisions

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.

q) Pensions

The charity offers a defined benefit pension through the government pension scheme National Employment Savings Trust (NEST). Employees are automatically enrolled into a NEST scheme into which Medair will pay employer contributions equal to 8% of each employee's gross salary on a monthly basis.

r) Foreign Exchange Policy

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the average rate of exchange in the month of the transaction. All exchange rate differences are taken to the Statement of Financial Activities (SOFA).

2 Income from donations and legacies

	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Gifts	324,888	368,654	693,542	428,573	136,228	564,801
Legacies	-	-	-	-	-	-
Donated services	-	-	-	-	-	-
	<u>324,888</u>	<u>368,654</u>	<u>693,542</u>	<u>428,573</u>	<u>136,228</u>	<u>564,801</u>

During the year, the charity received gifts from private individuals, churches, corporates and Trusts and Foundations. Medair UK received no donated services during the year.

3 Income from charitable activities

	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
EU Trust Fund (Madad) – Syrian refugees	-	924,715	924,715	-	-	-
	<u>-</u>	<u>924,715</u>	<u>924,715</u>	<u>-</u>	<u>-</u>	<u>-</u>

In 2018 Medair UK commenced a 24 month grant agreement with the EU (the 'Madad Fund') to provide services to Syrian refugees and vulnerable host communities in Jordan and Lebanon. The payment of the second tranche of funding due in 2019 was delayed. It was received in March 2020.

## 4a Analysis of expenditure (current year)

	Charitable activities							2020 Total £	2019 Total £
	Cost of raising funds £	Profile £	People £	Supporters £	Contributions to humanitarian programmes £	Governance costs £	Support costs £		
Staff costs (Note 7)	176,028	–	20,529	20,529	6,113	6,113	31,058	260,371	289,147
Recruitment of UK staff	–	–	–	–	–	–	–	–	14,895
Volunteer expenses	–	–	–	–	–	–	568	568	4,526
Marketing and events	16,375	–	180	1,525	–	–	–	18,080	37,274
Donations transferred to Medair (Switzerland)	–	–	–	–	280,838	–	–	280,838	238,653
Grants transferred to Medair (Switzerland) (Note 5)	–	–	–	–	924,715	–	–	924,715	44,968
Trustee and other governance costs	–	–	–	–	–	98	–	98	1,414
Audit	–	–	–	–	–	7,680	–	7,680	7,680
Professional fees	–	–	–	–	–	–	34,155	34,155	14,646
Financial expenses	–	–	–	–	–	–	1,234	1,234	1,405
Depreciation	–	–	–	–	–	–	1,817	1,817	2,414
Office expenses	–	–	–	–	–	–	47,341	47,341	65,295
Travel and subsistence	–	–	–	–	–	–	367	367	3,556
Supplies	–	–	–	–	–	–	–	–	6,035
Training and other personnel expenses	–	–	–	–	–	–	5,434	5,434	4,364
	192,403	–	20,709	22,054	1,211,666	13,891	121,974	1,582,699	736,272
Support costs	16,220	–	1,746	1,859	102,149	–	(121,974)	–	–
Governance costs	1,847	–	199	212	11,633	(13,891)	–	–	–
<b>Total expenditure 2020</b>	<b>210,470</b>	<b>–</b>	<b>22,654</b>	<b>24,125</b>	<b>1,325,447</b>	<b>–</b>	<b>–</b>	<b>1,582,699</b>	



## 4b Analysis of expenditure (prior year)

	Charitable activities								2019 Total £
	Cost of raising funds £	Profile £	People £	Supporters £	Contributions to humanitarian programmes £	Other charitable activities £	Governance costs £	Support costs £	
Staff costs (Note 7)	187,421	4,990	26,014	26,014	5,930	–	9,710	29,069	289,147
Recruitment of UK staff	–	–	–	–	–	–	–	14,895	14,895
Volunteer expenses	–	–	–	–	–	–	–	4,526	4,526
Marketing and events	31,322	49	5,903	–	–	–	–	–	37,274
Donations transferred to Medair (Switzerland)	–	–	–	–	238,653	–	–	–	238,653
Grants transferred to Medair (Switzerland) (Note 5)	–	–	–	–	44,968	–	–	–	44,968
Trustee and other governance costs	–	–	–	–	–	–	1,414	–	1,414
Audit	–	–	–	–	–	–	7,680	–	7,680
Professional fees	–	–	–	–	–	–	–	14,646	14,646
Financial expenses	–	–	–	–	–	–	–	1,405	1,405
Depreciation	–	–	–	–	–	–	–	2,414	2,414
Office expenses	–	–	–	–	–	–	–	65,295	65,295
Travel and subsistence	–	–	–	–	–	–	–	3,556	3,556
Supplies	–	–	–	–	–	–	–	6,035	6,035
Training and other personnel expenses	–	–	–	–	–	–	–	4,364	4,364
	218,744	5,039	31,917	26,014	289,551	–	18,804	146,204	736,272
Support costs	102,343	5,848	17,544	1,462	19,007	–	–	(146,203)	–
Governance costs	13,163	752	2,256	188	2,444	–	(18,804)	–	–
<b>Total expenditure 2020</b>	<b>334,249</b>	<b>11,639</b>	<b>51,717</b>	<b>27,664</b>	<b>311,002</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>736,272</b>

**5 Grant making**

	Grants to institutions £	2020 £	2019 £
Medair (Switzerland) Madad	924,715	924,715	44,968
Total	924,715	924,715	44,968

Grants totalling £924,715 were paid in in respect of Medair's work with Syrian refugees ('Madad').

**6 Net incoming resources for the year**

This is stated after charging/(crediting):

	2020 £	2019 £
Depreciation	1,817	2,414
Operating lease rentals:		
Property	34,086	49,913
Auditors' remuneration (including VAT):		
Audit	7,680	7,680
Foreign exchange (gains)/losses	(2,355)	5,447

**7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	221,196	247,530
Social security costs	22,193	20,617
Employer's contribution to defined contribution pension schemes	16,982	17,813
	260,371	285,959

No employee earned more than £60,000 during the year (2019: nil).

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £61,129 (2019: £57,034).

Trustees' expenses represent the cost of servicing meetings of the trustees, totalling £82 (2019: £1,316). £16 of personal travel and subsistence costs were reimbursed during the period. (2019: £55).

**8 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2020 No.	2019 No.
Raising funds	5.8	7.0
Support	0.8	0.7
Governance	0.1	0.1
	6.7	7.8

**9 Related party transactions**

The charity received trustee donations towards the work of Medair in the sum of £1,118 (2019: £4,925) of which £993 was for unrestricted funds and £125 was towards restricted funds. Donations were received in response to Medair UK-led fundraising activities during the year which formed part of the normal course of business. The Chief Executive of Medair is a member of the board of trustees of Medair UK.

**10 Taxation**

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

**11 Tangible fixed assets**

	Fixtures and fittings £	Computer equipment £	Office equipment £	Total £
<b>Cost or valuation</b>				
At the start of the year	2,519	63,399	6,791	72,709
Additions in year	–	–	–	–
At the end of the year	2,519	63,399	6,791	72,709
<b>Depreciation</b>				
At the start of the year	2,519	61,983	5,827	70,329
Charge for the year	–	1,266	551	1,817
At the end of the year	2,519	63,249	6,378	72,146
<b>Net book value: At the end of the year</b>		150	413	563
At the start of the year		1,416	964	2,380

All of the above assets are used for charitable purposes.

**12 Debtors**

	2020 £	2019 £
Trade debtors	9,383	17,151
Accrued Income	11,432	
Prepayments	–	572
	<b>20,815</b>	<b>17,724</b>

**13 Creditors: amounts falling due within one year**

	2020 £	2019 £
Trade creditors	3,366	1,103
Taxation and social security	–	4,623
Other creditors	2,560	208
Accruals	10,381	14,027
	<b>16,308</b>	<b>19,961</b>

**14a Analysis of net assets between funds (current year)**

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	563	–	563
Net current assets	79,959	114,209	194,168
<b>Net assets at the end of the year</b>	<b>80,522</b>	<b>114,209</b>	<b>194,731</b>

## Notes to the financial statements

For the year ended 31 December 2020

## 14b Analysis of net assets between funds (prior year)

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	2,380	–	2,380
Net current assets	51,114	75,506	126,620
<b>Net assets at the end of the year</b>	<b>53,494</b>	<b>75,506</b>	<b>129,000</b>

## 15a Movements in funds (current year)

	At 1 January 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2020 £
<b>Restricted funds:</b>					
Afghanistan	21	4,698	(3,702)		1,017
Bangladesh	17,692	55,899	(73,380)		211
DR Congo	4,990	22,323	(18,538)		8,775
Emergency (Covid)	–	81,398	(63,279)		18,119
Haiti	139	–	–		139
Honduras	–	507	(501)		6
Indonesia	190	–	–		190
Iraq	31	1,623	(1,125)		529
Jordan	–	15,459	(14,058)		1,401
Lebanon	2,711	43,854	(26,128)		20,437
Lebanon or Jordan	25	–	–		25
Middle East	39	178	(27)		190
Mozambique	(212)	–	–		(212)
Madagascar	–	16,192	(15,817)		375
Sierra Leone	51	–	–		51
South Sudan	729	11,821	(11,130)		1,420
Sudan	–	12,683	(12,311)		372
Syria	465	–	(465)		–
Yemen	–	102,019	(92,313)		9,706
Syrian refugees (EU Madad Fund)	48,636	927,536	(924,715)		51,457
<b>Total restricted funds</b>	<b>75,506</b>	<b>1,296,190</b>	<b>(1,257,489)</b>	<b>–</b>	<b>114,209</b>
<b>Unrestricted funds:</b>					
<b>General funds</b>	<b>53,494</b>	<b>352,706</b>	<b>(325,678)</b>	<b>–</b>	<b>80,522</b>
<b>Total funds</b>	<b>129,000</b>	<b>1,648,896</b>	<b>(1,583,166)</b>	<b>–</b>	<b>194,731</b>

## 15b Movements in funds (prior year)

	At 1 January 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2019 £
<b>Restricted funds:</b>					
Afghanistan	25,021	421	(25,421)	–	21
Bangladesh	22	54,069	(36,400)	–	17,692
DR Congo	9,548	15,783	(20,341)	–	4,990
Haiti	–	164	(25)	–	139
Indonesia	66,290	223	(66,323)	–	190
Iraq	6,503	1,106	(7,578)	–	31
Jordan	17,004	34	(17,038)	–	–
Lebanon	17,000	3,161	(17,450)	–	2,711
Lebanon or Jordan	38	190	(203)	–	25
Middle East	81	519	(561)	–	39
Mozambique	–	44,427	(44,640)	–	(212)
Sierra Leone	–	60	(9)	–	51
South Sudan	5,787	15,369	(20,428)	–	729
Syria	125	701	(361)	–	465
Water Fund	16	–	(16)	–	–
Syrian refugees (EU Madad Fund)	113,810	–	(48,750)	(16,424)	48,636
<b>Total restricted funds</b>	<b>261,245</b>	<b>136,228</b>	<b>(305,542)</b>	<b>(16,424)</b>	<b>75,506</b>
<b>Unrestricted funds:</b>					
<b>General funds</b>	<b>44,254</b>	<b>428,993</b>	<b>(436,176)</b>	<b>16,424</b>	<b>53,494</b>
<b>Total funds</b>	<b>305,499</b>	<b>565,221</b>	<b>(741,718)</b>	<b>–</b>	<b>129,000</b>

## Purposes of restricted funds

Restricted funds are to be used for specific purposes as required by the donor.

Contributions to programmes in designated countries represent funds generated from private donors and the EU which are restricted to specific humanitarian programmes operated by Medair (Switzerland).

Medair UK receives funds from the EU Madad fund for aid to Syrian refugees in Lebanon and Jordan. These funds are remitted as a grant to Medair (Switzerland) for implementation in related programmes with the exception of monies retained for the cost of the final programme audit and to cover Medair UK's grant management costs.

## 16 Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
<b>Net expenditure for the reporting period (as per the statement of financial activities)</b>	<b>63,375</b>	<b>(171,052)</b>
Depreciation charges	1,817	2,414
Interest income	(31)	(420)
(Increase)/Decrease in debtors	(3,091)	27,080
(Decrease)/increase in creditors	(3,653)	(9,101)
<b>Net cash from/(used in) operating activities</b>	<b>58,417</b>	<b>(151,079)</b>

**17 Analysis of cash and cash equivalents**

	2019 £	Cash flows £	Other changes £	2020 £
Cash at bank and in hand	128,857	58,448	2,355	<b>189,660</b>
<b>Total cash and cash equivalents</b>	<b>128,857</b>	<b>58,448</b>	<b>2,355</b>	<b>189,660</b>

**18 Operating lease commitments**

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	2020 £	2019 £
Less than one year	22,399	42,835
Between 2–5 years	15,422	45,341
	<b>37,822</b>	<b>88,176</b>

**19 Legal status of the charity**

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.