

FRIENDS OF MANDRITSARA TRUST UK

REPORT AND ACCOUNTS

YEAR ENDED 31 DECEMBER 2022

Company limited by guarantee

Registered number: 4345183

Registered Charity

Number: 1092709

INDEX

Page 2	Legal and Administrative Details
Pages 3-13	Trustees' Annual Report
Page 14	Independent Examiner's Report
Page 15	Statement of Financial Activities (including Income and Expenditure Account)
Page 16	Balance Sheet & Audit Exemption Statement
Page 17	Statement of Cash Flows
Pages 18-22	Notes to the Accounts

FRIENDS OF MANDRITSARA TRUST UK

LEGAL & ADMINISTRATIVE DETAILS

YEAR ENDED 31 DECEMBER 2022

Legal	Registered charity number: 1092709 Company limited by guarantee, registered in England and Wales number: 4345183
Registered Office	29 Priory Road, Needingworth, Cambridgeshire PE27 4SD
Trustees and Directors	Tamsin Booth Alison Brownell John Richard Bullman - (Treasurer) David Mann Victoria Parsonson - (Secretary) Douglas Robertson John Whitaker - (Chair)
Field Team Leader	Hilde Vlamincx (until 20 May 2022) Ted Watts (from 21 May 2022)
Bankers	National Westminster Bank Plc 98, Wandsworth High Street London SW18 4ZD
Independent Examiner	A. Richard G Service, CA 66 Southbrae Drive Glasgow, G13 1QD

FRIENDS OF MANDRITSARA TRUST UK

Trustees' Annual Report for 12 months ended 31 December 2022

Objects and activities

Charitable Objects

The principal objects of *Friends of Mandritsara Trust* (the "Trust" or "FoMT") are:

1. The advancement of religion in accordance with the doctrines and principles of protestant and evangelical Christian faith
2. The relief of ill-health and sickness throughout Madagascar and elsewhere.

This is done primarily through providing financial resources and seeking missionary staff and volunteers for the Good News project in Mandritsara, a market town in northern Madagascar. The project includes a 44-bed hospital with surgical and medical facilities, a 13-bed maternity unit, 4 post-surgical beds, 4 high dependency unit (HCU) beds, a school of nursing and midwifery, a school and a radio station. Members of the Friends of Mandritsara team also assist with the training of village church leaders. The Good News project is the property of the Association of Bible Baptist Churches in Madagascar. The Trust has a partnership agreement with the Association of Bible Baptist Churches in Madagascar.

Activities

The Trust undertakes the following principal functions under the headings of Pray, Give and Go. The Trust aims to:

- Encourage prayer for the Project. This is done by sending regular news and prayer letters, through the use of social media and the website (www.mandritsara.org.uk) and by arranging prayer meetings. In addition, hospital staff, volunteers and trustees speak at church meetings.
- Raise finance for the hospital and related activities in Mandritsara.
- Recruit Christian medical and support personnel to assist in the Project on short-term or long-term placements.

The process for recruiting voluntary workers requires that each must have a work permit issued by the government before obtaining a courtesy visa to enter Madagascar. The Trust has set up procedures to cope with this, and a volunteer section on its website to assist new volunteers.

The funds raised are sent to Mandritsara, Madagascar as required, to supplement the fees received from patients in the hospital and pupils in the school. Monthly payments are made direct from the Trust to the hospital on the basis of the agreed annual project budget.

Trustees' Annual Report - continued

The hospital runs an outpatients clinic each Monday to Friday, with planned surgery on Tuesdays and Thursdays. There is an ophthalmic department which undertakes cataract operations and dispenses glasses. The hospital provides an emergency facility twenty-four hours a day, seven days a week. Gospel services are held each morning in the wards and Monday to Friday in the outpatients department, to share the good news of Jesus as set out in the evangelical Christian faith.

There is a community health team which is very active in outlying areas, visiting villages in the Mandritsara district (which is the size of Yorkshire) and beyond to provide immunisations and health care, and advising on water facilities, toilet building projects and general health education. The team works in close collaboration with the government health department. The opportunity is taken to share the gospel at the villages visited by the team. About six times each year the team is assisted by HeliMission, a Christian helicopter mission which flies teams to outlying villages which are very difficult to reach overland in dry weather, but often completely inaccessible from Mandritsara during the rainy season.

The School of Nursing & Midwifery, BSFI, was opened in 2006 and offers a 3-year training leading to the Diploma in Nursing or Midwifery, which is equivalent to the government diploma and is recognised by the government.

The Good News School (*Ecole Bonne Nouvelle*) was founded in 1998. The school ranges from the first year of pre-school (age 3) to the fourth year of secondary education (age 15). The medium of education is French.

The "Voice of the Good News" radio is a Christian radio station that broadcasts daily over a broad area. This is run by a staff of four and is on air from 4.30am to 11pm, seven days a week. It is also used for public service broadcasting and notifying people in outlying villages when the community health team will be visiting, and of other health campaigns.

Public Benefit

The Good News Project does not charge its beneficiaries the full cost of treatment or education received. Only local Malagasy staff are paid salaries. The resident missionary staff and all visiting workers have to raise their own support, so their services are provided at no cost to the beneficiaries.

Madagascar is a very financially poor country and so patient fees are set at a level appropriate to the context. Nevertheless, some patients are unable to pay even the modest fees charged by the hospital. In these cases, no patients are refused medical treatment, and extra help may be given to cover part or the whole of the cost of their hospital treatment. All patients are treated regardless of race, religion, age or other factors.

The training and support of volunteer doctors, medical students and student nurses from the UK who visit Mandritsara gives them experience, which enriches their training and practice when they return to work in their home countries. Some visitors, particularly visiting surgeons from the UK, elsewhere in Europe, Canada, Australia and New Zealand, also train the staff at the hospital in Mandritsara.

Trustees' Annual Report - continued

Effect of COVID and general financial conditions on the Good News Project and FoMIT.

We give thanks to God that the Good News Hospital, the Good News School, the Community Health Team and the Radio Station have been able to continue their work during 2022, despite the challenges caused by the COVID pandemic.

The Trust "advanced" £15,000 to the Good News Project in August 2021 to assist with short-term cash flow, and this amount was included in 2021 Project Costs in the Statement of Financial Activities in last year's accounts. It was anticipated that this amount would be recovered by reducing budgeted transfers from the Trust to the Good News Project by £15,000 during 2022. However, the Good News Project was unable to "repay" this advance, mainly due to relatively high inflation in the costs of energy and medical supplies in Madagascar. These factors meant that the Trust transferred approximately an additional £20,000 during 2022 over and above the amount which had been anticipated previously.

The Trustees have been encouraged that General Fund donations to the Trust during 2022 have held up well, despite the effects of COVID and relatively adverse financial conditions in the UK. The Trustees are very grateful for all donations received from supporters during 2022.

The Trustees have carefully reviewed income and expenditure of both the Trust and the Good News Project from time to time, and modelled several possible scenarios. It remains possible that the Trust may need to contribute additional funds to the Project during 2023 if there is a resurgence of COVID or inflation in Mandritsara which affects the finances of the Good News Project.

Donation of two UK properties to the Trust during 2022

The Trust received a generous donation from a supporter of two small apartments in the North of England during the first quarter of 2022. These two properties were transferred to the Trust on 14 January 2022 and 15 March 2022 respectively. The Trustees decided to sell the properties to convert their value into cash or cash equivalents. The first property was sold for £78,000 on 28 June 2022. The second property was sold for £60,000 on 7 February 2023. Further details are provided below in the Financial Review.

Achievements and performance

The project continues to serve a wide area. During 2022 the doctors at the Good News Hospital (Hôpital Vaovao Mahafaly, or "HVMH") undertook 13,134 (8,124 in 2021) outpatient consultations, the ward staff received 1,361 (1,095 in 2021) medical inpatients and 1,335 (1,207 in 2021) surgical inpatients; surgeons performed 1,748 (1,712 in 2021) surgical procedures, and midwives (and/or surgeons) delivered 799 babies (784 in 2021). The eye team undertook 6,708 (6,228 in 2021) consultations and the eye surgeon performed 451 (362 in 2021) cataract operations.

The fifth intake of 7 nursing students and 3 midwife students to the nursing school successfully completed their training in January 2022. The graduation ceremony for these students took place on 14 January 2022.

Trustees' Annual Report - continued

The Eye department made 2 visits to Mananara during 2022 (2 in 2021), to see eye patients, prescribe spectacles and operate on patients with cataracts. Mananara is a town similar in size to Mandritsara, but over on the east coast and inaccessible by road from Mandritsara. Visits to Mananara have to be made by Mission Aviation Fellowship (MAF) plane. The team carried out 845 eye consultations during 2022 (551 in 2021) and 65 cataract operations (68 in 2021) in Mananara.

The "Voice of the Good News" radio station broadcasts to the district each day from early morning to late evening. There is Bible teaching, health education, cookery lessons, and French and English lessons each day.

The Community Health team has been particularly focussing on sanitation in recent years, heading up a region-wide sanitation project for the Mandritsara district. The team continues to visit village communities to encourage and to teach on sanitation and to perform vaccinations. The Community Health team carried out 69 (90 in 2021) separate vaccination sessions in 2022, and visited 195 different villages in 2022 (126 in 2021).

Helimission visited 5 times during 2022 (6 in 2021), for 5 weeks of mission, taking small teams out to remote villages for vaccinations, health education and Christian outreach.

The Good News School (EBN) is still the best-performing school in the district. There are currently 450 (425 in 2021) pupils from 3-15 years.

During 2022, there were 18 adults (with 12 children) from the UK, Australia, Belgium, Canada, France and Switzerland who are serving at the project for more than three months in a variety of roles, including as general doctors, surgeons, nurses, a midwife and teachers.

There were 79 short-term workers or visitors to the project from outside Madagascar during 2022 (0 in 2021).

Financial review

The Trustees consider that AM-FM (the Trust's Madagascar NGO) is a branch of the Trust for accounting purposes. The figures in these accounts relate to the combination of the Trust and AM-FM, except where stated otherwise. The notes to these accounts show the components of the key figures in these accounts for each of the Trust and AM-FM.

The primary source of income for the Trust continues to be gifts and donations from individual supporters of the project, with other donations from supporting churches, trusts and fundraising activities. The income from gifts and donations, excluding legacy, Gift Aid refunds and AM-FM income, in 2022 amounted to £479,823 (2021: £281,448), an increase of £198,375 (2021: a reduction of £39,714). This 2022 income figure of £479,823 includes a total amount of £132,700 (2021: £0) in respect of the two properties which were donated to the Trust during 2022.

The total income including legacy, income tax on Gift Aid in 2022 and AM-FM income was £537,612 (2021: £337,637), an increase from the previous year of £199,975 (2021: a reduction of £32,288), an increase of 59% (2021: a reduction of 9%).

Trustees' Annual Report - continued

This increase in income of £199,975 is broken down as follows:

- An increase of £41,497 in respect of the General Fund
- An increase of £122,903 in respect of Designated Funds, which is due to the two properties which were donated to the Trust during 2022
- An increase of £33,053 in respect of Restricted Funds
- An increase of £2,522 in respect of Local Funds

There was a 13% increase in Gift Aid refunds in 2022 (2021: 24% reduction) from £27,743 in 2021 to £30,899 in 2022.

We also promote the website and online giving. We have an online Gift Aid declaration page which simplifies and speeds up the sign up process for Gift Aid.

Expenditure by the Trust and AM-FM to, or for the benefit of, the Good News Project in Mandritsara ("Project costs") during 2022, including Restricted Funds, amounted to £345,846 (2021: £376,433). This reduction of £30,587 (2021: a reduction of £111,162) largely reflects the reduced expenditure of £71,308 (2021: £102,592) of Restricted Funds on various capital projects and other items during 2022.

The Pound Sterling was relatively volatile against the Ariary during 2022, although the exchange rate at the end of 2022 was similar in broad terms to the exchange rate at the start of 2022. Overall, General Fund project costs during 2022 in Pound Sterling terms have been higher to some extent than those anticipated, due to fluctuations in the currency exchange rate. Future project costs in Pound Sterling terms remain subject to future movements in the currency exchange rate.

Designated Funds relate typically to legacy income, which has been used in the past to fund the construction of hospital buildings and housing in Mandritsara. The Trust received a generous donation from a supporter of two small apartments in the North of England during the first quarter of 2022. These two properties were transferred to the Trust on 14 January 2022 and 15 March 2022 respectively. The Trustees decided to sell the properties to convert their value into cash or cash equivalents. The first property was sold for £78,000 on 28 June 2022. The second property was sold for £60,000 on 7 February 2023. The receipt of these properties (less £5,300 of related administration expenses expected to be incurred in early 2023 in respect of the second property) is included in 2022 income in these accounts under Designated Funds. We have assumed, in the absence of information to the contrary, that the value of each property at the date of receipt was the same as the eventual sale price. The Trust has expended £13,385 on administration costs during 2022 (2021: £5,862) to support the smooth transfer of these donated properties to the Trust, the costs associated with owning these properties, and their subsequent sale. These expenses are shown as Designated Fund administration costs in the Statement of Financial Activities. The second property is shown as an investment valued at £54,700 in the balance sheet as at 31 December 2022, after deducting related administration costs of £5,300 to be incurred during early 2023. Designated Funds amounted to £195,607 (2021: £107,398) at the end of 2022.

Trustees' Annual Report - continued

At the start of the year there were 7 active Restricted Funds. At the year end this had increased to 9 active Restricted Funds. They accounted for £64,336 (2021: £7,681), representing 14 per cent (2021: 2 per cent) of the value of all funds at the end of 2022. The Infrastructure Fund represented £50,000 (2021: £0) of these total Restricted Funds of £64,336 at 31 December 2022.

Prior to the end of 2018, Restricted Funds would have been transferred from the Trust to AM-FM, and then progressively released to the Good News Hospital ("HVMH") over time. The Trustees decided towards the end of 2018 to simplify the administration of AM-FM, and to transfer certain Restricted Fund amounts to HVMH. An agreement between the Trust and HVMH makes clear the restricted purposes for which transferred Restricted Funds must be used, and requires HVMH to provide periodic reports on the use of the Restricted Funds. The agreement was signed on 31 December 2018. Transfers of Restricted Funds have taken place from the Trust to HVMH from time to time during 2021 and 2022.

There are a number of Local Funds which are managed by AM-FM in Madagascar. These funds assist the members of the missionary team and various ministries in Mandritsara. For example:

- Members of the missionary team make payments to Local Funds which are then used to pay for the cost of items such as administrative services, language learning and accommodation in Mandritsara.
- Local Funds are held by AM-FM from time to time for building teams which come from the UK to support building projects in Mandritsara.

Transfers between funds

£7,493 (2021: £0) was transferred from Designated Funds to Restricted Funds during 2022. This was to extinguish the relatively small funding shortfall in the Theatre Block Fund.

£0 (2021: £40,000) was transferred from Designated Funds to the General Fund during 2022 in respect of the Trust.

£1,000 (2021: £0) was transferred from Restricted Funds to the General Fund during 2022 in respect of the Trust. In these cases, the Restricted Funds were reimbursing the General Fund for payments made by the General Fund which were within the scope of the Restricted Funds.

£0 (2021: £2,259) was transferred from Restricted Funds to Local Funds during 2022 in respect of AM-FM.

Reserves Policy

The Trustees seek to retain sufficient reserves to maintain the funding of the project in Mandritsara for a period of six months. The General Fund balance at the end of 2022 of £175,724 (2021: £172,201) is more than sufficient to support the project for six months (which would require £127,500), if there was no further income. Most of the surplus General Funds are held in the UK until payment is required in Madagascar.

Trustees' Annual Report - continued

The Trustees continue to consider the most appropriate use of Designated Funds, which amounted to £195,607 at the end of 2022 (2021: £107,398). It is anticipated that expenditure from Designated Funds during 2023 and 2024 will include:

- Support for the major projects described below under "Plans for future periods" to the extent that insufficient funds are obtained from appeals to supporters and charitable trusts
- Support to the General Fund if this is required to ensure that the General Fund remains in excess of 6 months of budgeted expenditure.

Completion of construction projects during 2022

The following major projects were completed successfully during 2022:

- The construction of additional on-site housing. The Trust contributed a further £17,200 to complete the funding of this project during 2022, compared with the estimated figure of £10,000 in last year's accounts
- The construction and equipping of a new operating theatre complex at the hospital, which was opened in the spring of 2022. The Trust contributed a further £20,000 to complete the funding of this project during 2022, which was the figure anticipated in last year's accounts.

Plans for future periods

The Trust will continue to fund the Good News Project in Mandritsara, and the Trust's budget for 2023 shows that it can continue supporting at the same level for the time being without significant extra giving.

The following major projects are currently being planned for 2023 and 2024:

- Work to improve the robustness of the supply of electricity and water to the Good News Project, probably including the instalment of new additional wiring and water pipes, the construction of a new water borehole and the purchase of a new electrical generator and voltage regulator (the current anticipated total cost is of the order of £100,000)
- The construction of a new building at the Good News Hospital. It is currently planned that this will include a new maternity ward, additional beds for non-maternity patients, improvements to the laboratory and more rooms for the doctors, plus related medical equipment (the current anticipated total cost is of the order of £250,000)
- The construction of additional on-site houses for doctors (the current anticipated total cost is of the order of £50,000).

The funds required for the above projects are expected to come from a combination of an appeal to our supporters, an appeal to charitable trusts and Designated Funds. The Trust expects to fully fund the cost of these projects by donations to the Good News Project by FoMT, and so the buildings / infrastructure will be owned by the Good News Project rather than by FoMT.

We will continue to seek personnel for the Good News Project who will maintain the improvements to the Project's financial controls and systems.

Trustees' Annual Report - continued

Structure, governance and management

Friends of Mandritsara Trust UK ("The Trust" or "FoMT") is a registered charity (1092709) and a company limited by guarantee, registered in England and Wales on 24 December 2001, registered number 4345183, governed by its Memorandum and Articles of Association. The address of the registered office is set out on page 2, which also lists the trustees who have served during the 2022 financial year, or who were in office at the date this report was approved. The Trustees are also directors of the Trust.

In Madagascar the Trust was represented by Hilde Vlamincx until 20 May 2022 and Ted Watts from 21 May 2022. Ted Watts is the field team leader, and the chairman of Amis de Mandritsara ("AM-FM"), a NGO registered with the Madagascar Government, which acts as an agent of the Trust.

The main aim of the Trust is to promote and support the Good News project in Mandritsara, a market town in northern Madagascar. The Good News Hospital (known locally as *Hôpital Vaovao Mahafaly*) is the main part of the project, but it also includes the Good News School, the Voice of the Good News radio station and a nursing and midwifery school. The project is a collaboration between the Trust and the Association of Bible Baptist Churches in Madagascar (FBBM). The legal agreement governing the project in Madagascar is the *Statut de l'Hôpital Médico-Chirurgical Confessionnel Dénommé "Hopitaly Vaovao Mahafaly"*. The hospital board comprises up to five pastors designated by the board of the FBBM, including their president, up to three members representing the Trust, including the AM-FM Team Leader, two technicians (one medical and one financial) and the General Director of the Good News Hospital.

The Trustees have ultimate responsibility for processing applications from prospective overseas workers and students to join AM-FM at the Good News Project. The Trustees have delegated the day-to-day management of this process to the AM-FM Team Leader and the team member responsible for medical elective students.

The Trustees also have ultimate responsibility for the update of the website news and for website security. The Trustees have delegated the day-to-day management of the website to an IT Consultant on a commercial basis during 2022 at a cost of £2,027 (2021: £2,294), which included the facilitation of a hybrid prayer day during 2022. £1,000 of these expenses (2021: £533) were covered by a specific donation from a supporter of the Trust.

In the UK, the board of the Trust recruits new trustees to its number who are either existing Members of the company or known to the current trustees as having an interest in the project. It is typically the case that Trustees have been to Mandritsara to have personal knowledge of the Project, although other long-term / committed supporters can and have served as Trustees. The Trust has an agreed eight-step procedure for the appointment of new trustees, setting out what documents should be handed to a prospective trustee and then once appointed.

The Trustees, who are the directors of the limited liability company, currently have monthly meetings (usually by virtual conferencing platforms), which are supplemented with email conversations as required.

Trustees' Annual Report - continued

The Trustees maintain, and review on a regular basis, a wide range of policies and procedures, including a Child Safety Policy and an Internal Financial Controls Policy.

Significant risks

The Trustees have examined the major strategic, business and operational risks that the Trust faces and confirm systems have been established to monitor those risks so that the necessary steps can be taken to reduce them. The Trustees review the Risk Register on at least an annual basis. The principal potential risks identified by the Trustees, together with the principal mitigations put in place to manage these risks, are as follows:

Governance and management risks

These potential risks include the loss of focus or dilution of charitable aims, lack of clear priorities to enable strategic planning, inadequate training for Trustees, the geographical remoteness of the Trust from operational activities in Madagascar, a lack of cohesion between the Trust and the Good News Project, and disaster recovery and planning.

These risks are managed by regular review and adherence to the partnership agreement between the Trust and FBBM, training for Trustees, occasional visits by Trustees to Mandritsara, regular communication between the AM-FM Team Leader and the Trustees, including the Team Leader joining the regular monthly virtual Trustees meeting, and all Trust documents being stored electronically in secure cloud-based storage with periodic external secure back-up.

Financial risks

These potential risks include a shortfall in funding or an unexpected increase in expenditure for the Project, loss of funds by the Trust or the Good News Project from investments, fraud or error, and currency exchange risks.

These risks are managed by maintaining the relationship with existing supporters through newsletters and prayer days, holding all funds in cash or cash equivalents with reputable banking institutions (or converting them into cash or cash equivalents when received in a different form), ensuring that General Fund reserves are in excess of six months of budgeted expenditure, engaging in a robust budgeting process each year for both the Trust and the Good News Project, adherence to the Trust's internal financial controls policy, the Treasurer circulating monthly Trust management accounts to the Trustees, the Trust Treasurer receiving regular monthly management accounts from the Good News Project and liaising regularly with the director of finance of the Good News Project, and the Trustees commissioning an annual external audit of the accounts of the Good News Project.

Trustees' Annual Report - continued

Child protection risks

These potential risks include safeguarding events affecting either children or vulnerable adults.

These risks are managed by strict adherence to separate safeguarding policies which apply to each of the Trust / AM-FM and the Good News Project. All Trustees or volunteers travelling from the UK to Mandritsara are required to have DBS checks in place. All AM-FM team members and volunteers receive appropriate safeguarding training.

External risks

These potential risks include external perceptions of the Trust, the closure of Madagascar borders due to external events such as COVID, and the personal health and safety of the AM-FM team and volunteers.

These risks are managed by keeping the website up-to-date, making AM-FM team members / volunteers aware of the risks of travelling in Madagascar, all team members / volunteers are required to have comprehensive emergency medical insurance inclusive of evacuation cover, adherence to the Trust's social media policy, AM-FM contingency planning to cover emergency evacuation for non-medical reasons including political or civil unrest, and monitoring of legal and regulatory changes in Madagascar.

Compliance risks

These potential risks include failure to comply with laws and regulations in the UK and Madagascar.

These risks are managed by regular monitoring of changes in laws and regulations, the timely submission of accounts, and the implementation of a data protection policy.

Trustees' Annual Report - continued

Trustee Responsibilities

Under the Charities Act 2011 and under the Companies Act 2006, the Trustees are required to prepare a statement of accounts for each accounting year which gives a true and fair view of the state of affairs of the Friends of Mandritsara Trust UK.

They are required to:

- a) Select suitable accounting policies and apply them consistently;
- b) Make judgements and estimates that are reasonable and prudent;
- c) State whether the applicable accounting standards have been followed;
- d) Prepare the financial statements on an ongoing basis.


They are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of Friends of Mandritsara Trust UK and ensure that such accounts and records comply with the Charities Act 2011 and Companies Act 2006.

They also have a responsibility to safeguard the assets and liabilities of Friends of Mandritsara Trust UK and take reasonable steps to detect fraud or any other irregularities.

Approval

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

This report was approved by the Trustees on 20 March 2023.



And signed on their behalf by V. Parsonson (Secretary)

Friends of Mandritsara Trust UK

**Independent Examiner's report to the trustees of
Friends of Mandritsara Trust UK (the Company)**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2022, which are set out on pages 15 to 22.

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

The Company's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants of Scotland.

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:

- (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.

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.

Signed:



Name: A Richard G. Service, CA
66 Southbrae Drive
Glasgow, G13 1QD

20 March 2023

Trustees' Annual Report - continued

Friends of Mandritsara Trust UK

**Statement of Financial Activities (Including Income and Expenditure Account)
for the year ended 31 December 2022**

	Unrestricted General	Unrestricted Designated	Restricted	Local	Total 2022	Total 2021
	£	£	£	£	£	£
Income						
<i>Charitable Income</i>						
Gifts	231,438	132,908	115,482	-	479,828	281,448
Legacy received	-	-	-	-	-	5,000
Income tax recoverable	24,911	-	5,988	-	30,899	27,443
	256,349	132,908	121,470	-	510,727	313,891
<i>Other income</i>						
AM-FM income	-	-	-	25,809	25,809	23,287
Bank interest (Trust and AM-FM)	1,081	-	-	-	1,081	459
Total Income	257,430	132,908	121,470	25,809	537,617	337,637
Expenditure						
<i>Charitable Expenditure</i>						
Project costs - Trust	250,224	23,816	71,308	-	345,348	375,959
Project costs - AM-FM	498	-	-	-	498	474
Other costs - AM-FM	-	-	-	19,599	19,599	23,080
Fundraising costs	244	-	-	-	244	71
UK administration costs	3,841	13,385	-	-	17,226	8,475
Total Expenditure	254,807	37,201	71,308	19,599	382,915	408,059
Net Income / (Expenditure) Before transfers	2,623	95,707	50,162	6,210	154,697	-70,422
Gross Transfers between Funds	1,000	-7,493	6,493	-	-	-
Currency Adjustment	-100	-	-	-732	-832	109
Net Income / (Expenditure)	3,523	88,209	56,655	5,478	153,865	-70,313
Fund Balances, 1 Jan 2022	172,201	107,398	7,681	4,817	292,097	362,410
Fund Balances, 31 Dec 2022	175,724	195,607	64,336	10,295	445,962	292,097

Friends of Mandritsara Trust UK

Balance Sheet as at 31 December 2022

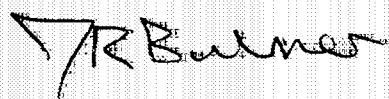
	2022	2021
	£	£
Fixed Assets -	-	-
Current assets		
<u>UK assets</u>		
Bank balances	340,902	248,556
Investments	54,700	-
Debtors & prepayments	29,347	27,850
	<u>424,949</u>	<u>276,406</u>
<u>Madagascar assets - AM-FM</u>		
Bank balances	19,834	12,312
Cash	1,246	1,736
Debtors & prepayments	792	1,763
	<u>21,872</u>	<u>15,811</u>
Creditors: amounts falling due within one year		
Creditors & accruals - UK	-120	-120
Creditor & accruals - Madagascar	-739	-
	<u>-859</u>	<u>-120</u>
NET ASSETS	<u>445,962</u>	<u>292,097</u>
Funds		
General Fund	175,724	172,201
Designated Fund	195,607	107,398
Restricted Funds	64,336	7,681
Local Funds	10,295	4,817
TOTAL FUNDS	<u>445,962</u>	<u>292,097</u>

For the year ending 31 December 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and for preparation of accounts.

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

Signed: 
J R Bulmer (Treasurer)

Date: 20 March 2023

Trustees' Annual Report –continued

Statement of Cash Flows

	2022 £	2021 £
Cash flows from operating activities		
Net cash provided by (used by) operating activities	98,297	-64,665
Cash flows from investing activities		
Interest	1,081	459
Net cash provided by (used by) investing activities	1,081	459
Cash flows from financing activities		
	-	-
Change in cash and cash equivalents in the reporting period	99,378	-64,206
Cash and cash equivalents at the start of the reporting period	262,604	326,810
Cash and cash equivalents at the end of the reporting period	361,982	262,604
Reconciliation of net income / (expenditure) to net cash flows from operating activities		
Net income / (expenditure) for the reporting period (as per the Statement of Finance Activities)	153,865	-70,313
Adjustment for:		
Interest from investments	-1,081	-459
(Increase) / reduction in investments	-54,700	-
(Increase) / decrease in debtors	-526	6,299
Increase / decrease in creditors	739	-192
Net cash provided by (used in) operating activities	98,297	-64,665
Analysis of cash and cash equivalents		
Cash in hand	1,246	1,736
Short term bank deposits	360,736	260,868
Total cash and cash equivalents	361,982	262,604

Friends of Mandritsara Trust UK

Notes to the accounts for the year ended 31 December 2022

Accounting Policies

a) The accounts have been prepared in accordance with applicable accounting standards and follow the recommendations in Statement of Recommended Practice: Accounting by Charities (FRS102), (issued October 2019).

b) Voluntary income is received by way of gifts and donations and is included in full in the Statement of Financial Activities when received.

Donations arising under Gift Aid together with the tax recoverable thereon are accounted when received and tax unclaimed at the year-end is recognised in debtors.

Resources expended are charged in the accounts in the period in which they incurred. They include attributable VAT, which cannot be recovered.

c) Restricted funds are to be used for specific purposes as laid down by the donor.

Designated funds are unrestricted funds allocated for specific purposes by the trustees.

Unrestricted funds are donations and other incomes received or generated for the objects of the charity without further specified purpose and are available as general funds.

d) Tangible fixed assets:

Small items of fixed and movable equipment are written off as the expenditure is incurred. The Company has no tangible fixed assets.

e) The accounts show the combined results of the Trust and Amis de Mandritsara ("AMFM"), a NGO registered with the Madagascar Government. AMFM is considered to be a branch of the Trust.

f) Investments:

The second donated property is valued at £54,700 at the 2022 year-end, which is the price (£60,000) at which it was sold by the Trust in early 2023 less related administration expenses of £5,300 which are expected to be incurred in early 2023.

Trustees' Annual Report - continued

g) Basis of conversion of AM-FM transactions to Sterling:

All transactions undertaken by AM-FM are in Madagascan Ariary. For the purpose of these accounts, these Ariary amounts have been converted to Sterling using the following currency exchange rates:

- Fund values in Ariary at the start and end of the financial year are converted to Sterling using the applicable currency exchange rates at those dates;
- Income and expenditure in Ariary during a calendar month are converted to Sterling using the average of the applicable currency exchange rates at the start and end of that month.

The accounts also include a currency adjustment, which reflects movements in the Sterling value of AM-FM assets during the year which are due to movements during the year in the currency exchange rate between Sterling and the Madagascan Ariary.

Salaries and related employment costs paid by AM-FM to full-time and part-time employees in Mandritsara

	General Funds	Designated Funds	Restricted Funds	Local Funds	Total
	£	£	£	£	£
2022 salaries	-	-	-	7,371	7,371
2021 salaries	-	-	-	5,981	5,981

No Trustees or any person connected to them was paid remuneration during either 2021 or 2022.

Trustee expenses - 2022:

Expenses reimbursed to Trustees by the Trust during the period amounted to £0 (2021: £7). This comprised:

- £0 (2021: £7) in respect of UK postage costs;

Donated facilities and services

Members of the AM-FM missionary team and volunteers who travel to Mandritsara are responsible for paying all of their travel, housing and maintenance costs.

Except for the reimbursed Trustee expenses which are detailed above, Trustees and Members of FoMT give voluntarily of their time and money in fulfilling their roles as Trustees and Members....

Grants Payable

The Trust paid the following grants to the Good News Hospital during 2022:

- £232,000 (2021: £239,000) in respect of Unrestricted General Funds;
- £20,200 (2021: £6,000) in respect of Designated Funds;
- £71,228 (2021: £86,754) in respect of Restricted Funds;

Trustees' Annual Report - continued

	2022	2021
	£	£
Cash at bank in the UK (Trust)		
Current accounts	100	100
Deposit accounts	340,802	248,456
Total	340,902	248,556

Investments in the UK (Trust)		
Second donated property	54,700	-

Cash at bank in Madagascar (AM-FM)		
Current accounts	6,367	2,488
Deposit accounts	13,467	9,824
Total	19,834	12,312

	2022	2021
	£	£
Debtors & Prepayments in the UK (Trust)		
Income tax recoverable on Gift Aid donations	29,176	27,179
Charity voucher refunds due	171	671
	29,347	27,850

Movement in Funds during 2022

	1 Jan 2022	Income	Expenditure	Transfers	Currency Adjustment	31 Dec 2022
	£	£	£	£	£	£
Unrestricted Funds	172,201	257,430	-254,807	1,000	-100	175,724
Designated Funds	107,398	182,903	-37,201	-7,493	-	195,607
Restricted Funds	7,681	121,470	-71,308	6,493	-	64,336
Local Funds	4,817	25,809	-19,599	-	-732	10,295
Total Funds	292,097	537,612	-382,915	-	-832	445,962

Movement in Funds during 2021

	1 Jan 2021	Income	Expenditure	Transfers	Currency Adjustment	31 Dec 2021
	£	£	£	£	£	£
Unrestricted Funds	171,780	215,933	-255,525	40,000	13	172,201
Designated Funds	164,260	10,000	-26,862	-40,000	-	107,398
Restricted Funds	24,107	88,417	-102,592	-2,259	8	7,681
Local Funds	2,263	23,287	-23,080	2,259	88	4,817
Total Funds	362,410	337,637	-408,059	-	109	292,097

Trustees' Annual Report - continued

Analysis of Net Assets between Funds at 31 December 2022

	General Fund £	Designated Fund £	Restricted Funds £	Local Funds £	Total £
Trust - UK:					
Cash at Bank	140,184	140,907	59,811	---	340,902
Investments	-	54,700	-	---	54,700
Debtors	24,822	-	4,525	---	29,347
Creditors	-120	-	-	---	-120
AM-FM - Madagascar					
Bank Balances	9,592	-	-	10,242	19,834
Cash	1,246	-	-	-	1,246
Debtors	-	-	-	792	792
Creditors	-	-	-	-739	-739
Total Funds	175,724	195,607	64,336	10,295	445,962

Analysis of Net Assets between Funds at 31 December 2021

	General Fund £	Designated Fund £	Restricted Funds £	Local Funds £	Total £
Trust - UK:					
Cash at Bank	137,646	107,398	3,512	---	248,556
Debtors	23,681	-	4,169	---	27,850
Creditors	-120	-	-	---	-120
AM-FM - Madagascar					
Bank Balances	9,258	-	-	3,054	12,312
Cash	1,736	-	-	-	1,736
Debtors	-	-	-	1,763	1,763
Creditors	-	-	-	-	-
Total Funds	172,201	107,398	7,681	4,817	292,097

Trustees' Annual Report - continued

Related party

The Trustees consider that the Good News Hospital ("HVMM") is a related party of Friends of Mandritsara Trust (the "Trust"), as defined in the Statement of Recommended Practice: Accounting by Charities (FRS102) (Issued October 2019).

The Statement of Financial Activities (including Income and Expenditure Account) for the year ended 31 December 2022 shows that:

- 2022 project costs - Trust amounted to £250,224 (2021: £252,367) in respect of Unrestricted General Funds. This figure includes £232,000 (2021: £239,000) of transfers from the Trust to HVMM
- 2022 project costs - Trust amounted to £23,816 (2021: £21,000) in respect of Designated Funds. This figure includes £20,200 (2021: £6,000) of transfers from the Trust to HVMM
- 2022 project costs - Trust amounted to £71,308 (2021: £102,592) in respect of Restricted Funds. This figure includes £71,228 (2021: £86,754) of transfers from the Trust to HVMM
- 2022 project costs - AM-FM amounted to £498 (2021: £474) in respect of Unrestricted General Funds. This figure includes £498 (2021: £474) of transfers from AM-FM to HVMM

In addition, AM-FM made a number of regular payments to HVMM in respect of items such as:

- Rent and electricity/water charges in respect of the guest house
- Agreed contributions towards the costs of the office in Antananarivo
- Salary costs of the AM-FM administrator
- Tax payments