

Charity Registration No. 1096068

Company Registration No. 04627969 (England and Wales)

MERCY IN ACTION

CONSOLIDATED FINANCIAL STATEMENTS AND ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

**tc** accounts • tax • legal • financial planning

The Courtyard  
Shoreham Road  
Upper Beeding  
Steyning  
West Sussex  
BN44 3TN

## MERCY IN ACTION

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## MERCY IN ACTION

### LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mrs A Todd	
	Mr T Jones	
	Ms A Farrands	
	Ms H Law	(Appointed 27 April 2021)
<b>Charity number</b>	1096068	
<b>Company number</b>	04627969	
<b>Principal address</b>	Jubilee Centre Lower Bristol Road Bath United Kingdom BA2 4ES	
<b>Registered office</b>	Jubilee Centre Lower Bristol Road Bath United Kingdom BA2 4ES	
<b>Auditor</b>	TC Group The Courtyard Shoreham Road Upper Beeding Steyning West Sussex BN44 3TN	

## MERCY IN ACTION

### TRUSTEES' REPORT

#### FOR THE YEAR ENDED 31 DECEMBER 2020

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

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's [governing document], the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016).

#### Objectives and activities

The charity's objects are:

- a) To advance the Christian faith in accordance with the Statement of Belief appearing in the Schedule to the memorandum of Association in Bath and in other such parts of the United Kingdom and the world as the trustees may from time to time see fit.
- b) To relieve persons who are in conditions of need or hardship or who are aged or sick and to relieve the distress caused thereby in the said locations and in other parts of the United Kingdom and the world as the trustees may from time to time think fit.
- c) To advance education in accordance with the Christian principles by such means as the trustees may consider appropriate including by means of establishing and operating any educational establishment or establishments in the said locations and in such parts of the United Kingdom and the world as the trustees may from time to time see fit.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

#### Achievements and performance

Despite the global pandemic affecting income and having every project and service stretched, the staff thought outside the box to deliver creative solutions to be more effective than ever.

- We have grown Action Pantry and increased food distribution to 162 families, saving over 50 tons of food from landfill
- Over 60,000 meals were served during the year to over 600 families every week
- Two new Petra homes have opened providing support for young mums and their babies.
- Helped to support school children in the Philippines by supporting 398 scholars

#### Future aims

- The charity aims to update its safeguarding policy, provide safeguarding training for staff and introduce a safeguarding advisory committee in the Philippines.
- Create an ethical fundraising policy and update the fundraising strategy of the charity.
- Launch a new website and offer online sales.
- Develop the risk register and ensure that the charity is equipped to deal with any future risks and threats.

#### Financial review

The coronavirus pandemic meant that the charities shops had to close for periods during the year. This led to a significant loss of revenue and the charity had to reduce costs to ensure the charities finances were not diminished. Furloughing staff, agreeing rent holidays and claiming business rates grants were key in ensuring the charities finances were not diminished.

Throughout 2020, our donors were giving more generously and the staff thought creatively to raise funds so the charity could operate more effectively than ever.



## MERCY IN ACTION

### TRUSTEES' REPORT (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2020

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##### **Financial review (continued)**

Mercy in Action Trading Limited, a wholly owned subsidiary, had a difficult year due to the coronavirus pandemic and the lockdowns entered in the UK. The company showed a loss of £20,131 for the financial year ending 31 December 2020 compared to a profit of £50,464 in the preceding 12 months. Reserves of the company currently stand at £114,337.

##### **Reserves policy**

MiA should hold in reserve approximately 3 months operating capital, which within the current budget period equates to £500,000. It is expected that we will add £100,000 or more each year to our reserves until the required level is reached.

Current free reserves are £367,803. This represents a deficit of reserves of £132,197 operating capital which within the current budget equates to one month's operating capital.

##### **Risk management**

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

##### **Structure, governance and management**

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company by guarantee, as defined by the Companies Act 2006.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mrs A Todd

Mr T Jones

Ms A Farrands

Ms S J Buckley

(Resigned 27 April 2021)

Ms H Law

(Appointed 27 April 2021)

##### **Recruitment and appointment of trustees**

Trustees are recruited and appointed based on their ability to perform their duties effectively and that they share the same visions and beliefs as the charities articles.

The trustees must have been involved in a voluntary capacity previously, understand the commitment required to succeed in the role and have relevant skills.

The trustees are all volunteers and are therefore not remunerated and only reimbursed expenses relevant to their role.

##### **Remuneration policy for senior management**

Pay will be fair and competitive so that the charitable activities can be achieved. All remuneration of senior staff is agreed at board level and researched against national averages to ensure the fairness and competitiveness.

## MERCY IN ACTION

### TRUSTEES' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2020*

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#### **Statement of trustees' responsibilities**

The trustees, who are also the directors of Mercy In Action for the purpose of company law, are responsible for preparing the Trustees' 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group for that year.

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Auditor**

The auditors, TC Group, will be proposed for re-appointment at the forthcoming annual general meeting.

#### **Reference and administrative details**

##### **Registered company number**

04627969 (England and Wales)

##### **Registered charity number**

1096068

##### **Registered office**

Jubilee Centre  
Lower Bristol Road  
Bath  
BA2 9ES

##### **Auditors**

TC Group  
The Courtyard  
Shoreham Road  
Upper Beeding  
Steyping  
West Sussex  
BN44 3TN

#### **Disclosure of information to auditor**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

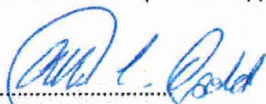
**MERCY IN ACTION**

**TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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The trustees' report was approved by the Board of Trustees.

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Mrs A Todd

Trustee

Dated: 29-09-2021

## MERCY IN ACTION

### INDEPENDENT AUDITOR'S REPORT

#### TO THE TRUSTEES OF MERCY IN ACTION

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##### **Opinion**

We have audited the financial statements of Mercy In Action (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2020 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and the notes to the consolidated financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 group and the parent charitable company's affairs as at 31 December 2020 and of the group's incoming resources and application of resources, for the year then
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

##### **Basis for opinion**

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

##### **Conclusions relating to going concern**

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

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

## MERCY IN ACTION

### INDEPENDENT AUDITOR'S REPORT (CONTINUED)

#### TO THE TRUSTEES OF MERCY IN ACTION

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##### **Other information**

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

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

We have nothing to report in this regard.

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the consolidated financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

##### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**MERCY IN ACTION**

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE TRUSTEES OF MERCY IN ACTION**

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**Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

TC Group

**Mark Cummins FCCA (Senior Statutory Auditor)**  
**for and on behalf of TC Group**

**Statutory Auditor**

The Courtyard  
Shoreham  
Upper Beeding  
Steyning  
West Sussex  
BN44 3TN

Date: 29 September 2021

TC Group is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

MERCY IN ACTION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

Current financial year

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
<b>Income and endowments from:</b>					
Donations and legacies	2	298,684	48,953	347,637	188,657
Charitable activities	3	4,920	23,899	28,819	57,010
Other trading activities	4	1,472,257	-	1,472,257	2,747,675
Investments	5	164,172	-	164,172	73,160
Other non-charitable grants	6	686,289	-	686,289	-
Insurance proceeds	7	26,659	-	26,659	-
<b>Total income</b>		<b>2,652,981</b>	<b>72,852</b>	<b>2,725,833</b>	<b>3,066,502</b>
<b>Expenditure on:</b>					
Raising funds	8	1,548,609	-	1,548,609	1,884,046
Charitable activities	9	914,265	26,067	940,332	1,104,847
<b>Total resources expended</b>		<b>2,462,874</b>	<b>26,067</b>	<b>2,488,941</b>	<b>2,988,893</b>
<b>Net income for the year/ Net movement in funds</b>		<b>190,107</b>	<b>46,785</b>	<b>236,892</b>	<b>77,609</b>
Fund balances at 1 January 2020 as restated		304,039	21,255	325,294	247,685
<b>Fund balances at 31 December 2020</b>		<b>494,146</b>	<b>68,040</b>	<b>562,186</b>	<b>325,294</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The consolidated statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

MERCY IN ACTION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)  
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

Prior financial year

		Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes			
<b><u>Income and endowments from:</u></b>				
Donations and legacies	2	178,951	9,706	188,657
Charitable activities	3	44,530	12,480	57,010
Other trading activities	4	2,747,675	-	2,747,675
Investments	5	73,160	-	73,160
<b>Total income</b>		<b>3,044,316</b>	<b>22,186</b>	<b>3,066,502</b>
<b><u>Expenditure on:</u></b>				
Raising funds	8	1,884,046	-	1,884,046
Charitable activities	9	1,103,916	931	1,104,847
<b>Total resources expended</b>		<b>2,987,962</b>	<b>931</b>	<b>2,988,893</b>
<b>Net income for the year/ Net movement in funds</b>		<b>56,354</b>	<b>21,255</b>	<b>77,609</b>
Fund balances at 1 January 2019		247,685	-	247,685
<b>Fund balances at 31 December 2019 as restated</b>		<b>304,039</b>	<b>21,255</b>	<b>325,294</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.



**MERCY IN ACTION**

**CONSOLIDATED BALANCE SHEET**


**AS AT 31 DECEMBER 2020**

		2020		Restated 2019	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	15		126,343		140,891
<b>Current assets</b>					
Debtors	16	219,694		193,354	
Cash at bank and in hand		622,193		77,532	
		841,887		270,886	
<b>Creditors: amounts falling due within one year</b>	17	(188,544)		(86,483)	
<b>Net current assets</b>			653,343		184,403
<b>Total assets less current liabilities</b>			779,686		325,294
<b>Creditors: amounts falling due after more than one year</b>	18		(217,500)		-
<b>Net assets</b>			562,186		325,294
<b>Income funds</b>					
Restricted funds	28	68,040		21,255	
Unrestricted funds - general		494,146		304,039	
		562,186		325,294	

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the group and its charitable company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

The financial statements were approved by the Trustees on 28/9/2021

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 Mrs A Todd - Trustee  
 Company Registration No. 04627969

**MERCY IN ACTION**

**COMPANY BALANCE SHEET**

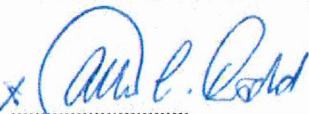
**AS AT 31 DECEMBER 2020**

		2020		Restated 2019	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets			23,027		25,046
Investments	24		1,000		1,000
			<u>24,027</u>		<u>26,046</u>
<b>Current assets</b>					
Debtors	20	147,267		148,133	
Cash at bank and in hand		374,187		40,958	
		<u>521,454</u>		<u>189,091</u>	
<b>Creditors: amounts falling due within one year</b>	21	<u>(97,632)</u>		<u>(24,311)</u>	
<b>Net current assets</b>			<u>423,822</u>		<u>164,780</u>
<b>Total assets less current liabilities</b>			<u>447,849</u>		<u>190,826</u>
<b>Net assets</b>			<u>447,849</u>		<u>190,826</u>
<b>Income funds</b>					
Restricted funds			68,040		21,255
Unrestricted funds - general			379,809		169,571
			<u>447,849</u>		<u>190,826</u>

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

The financial statements were approved by the Trustees on .....

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Mrs A Todd – Trustee  
Company Registration No. 04627969

MERCY IN ACTION

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	26	348,254		131,622	
Finance costs		<u>(20,433)</u>		<u>(23,241)</u>	
<b>Net cash generated from operating activities</b>			327,821		108,381
<b>Investing activities</b>					
Purchase of tangible fixed assets		(8,222)		(133,433)	
Interest received		<u>62</u>		<u>17</u>	
<b>Net cash generated used in investing activities</b>			(8,160)		(133,416)
<b>Financing activities</b>					
Bank loan advance		225,000		-	
Payment of obligations under finance leases		<u>-</u>		<u>(2,205)</u>	
<b>Net cash generated from/(used in) financing activities</b>			225,000		(2,205)
<b>Net increase/(decrease) in cash and cash equivalents</b>			544,661		(27,240)
Cash and cash equivalents at beginning of year			<u>77,532</u>		<u>104,772</u>
<b>Cash and cash equivalents at end of year</b>			<u><u>622,193</u></u>		<u><u>77,532</u></u>

**1 Accounting policies**

**Charity information**

Mercy In Action is a private company limited by guarantee incorporated in England and Wales. The registered office is Jubilee Centre, Lower Bristol Road, Bath, BA 2 4ES, United Kingdom.

**1.1 Accounting convention**

The consolidated financial statements of the group and the parent charitable company have been prepared in accordance with the charity's [governing document], the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102. The financial statements have been prepared under the historical

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

**1.2 Going concern**

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

**1.4 Incoming resources**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

**1 Accounting policies**

**1.5 Resources expended**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**1.6 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	15% reducing balance
Computers	15% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

**1.7 Taxation**

The charity is exempt from corporation tax on its charitable activities.

**1.8 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

**1.9 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**1.10 Allocation and apportionment of costs**

Head office costs are allocated 75% to fundraising and trading activities and 25% to charitable activities. Warehouse costs are allocated 72% to fundraising and trading activities and 28% to charitable activities. Shop costs are allocated 82% to fundraising and trading activities 18% to charitable activities.

**1.11 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

MERCY IN ACTION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

2 Donations and legacies

	Unrestricted funds general 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds general 2019 £	Restricted funds 2019 £	Total 2019 £
Donations and gifts	298,684	48,953	347,637	178,951	9,706	188,657
<b>Donations and gifts</b>						
Donations	139,436	48,953	188,389	157,081	9,706	166,787
Gift aid	159,248	-	159,248	21,870	-	21,870
	298,684	48,953	347,637	178,951	9,706	188,657

3 Charitable activities

	UK Projects 2020 £	UK Projects 2019 £
Grants - UK Projects	28,819	57,010
<b>Analysis by fund</b>		
Unrestricted funds - general	4,920	44,530
Restricted funds	23,899	12,480
	28,819	57,010

MERCY IN ACTION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

4 Other trading activities

	Unrestricted funds general 2020 £	Unrestricted funds general 2019 £
Shop income	1,461,980	2,721,091
Online income	10,277	7,894
Other income	-	18,690
	<hr/>	<hr/>
Other trading activities	1,472,257	2,747,675
	<hr/>	<hr/>

5 Investments

	Unrestricted funds general 2020 £	Unrestricted funds general 2019 £
Rental income	164,110	73,143
Interest receivable	62	17
	<hr/>	<hr/>
	164,172	73,160
	<hr/>	<hr/>

6 Other non-charitable grants

Job retention scheme - £348,274 (2019: £nil)  
 Shop rates grants - £338,015 (2019: £nil)  
 Total - £686,289 (2019: £nil)

7 Insurance proceeds

	Unrestricted funds general 2020 £	Total 2019 £
Insurance proceeds	26,659	-
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MERCY IN ACTION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

8 Raising funds

	Unrestricted funds general 2020 £	Unrestricted funds general 2019 £
<u>Fundraising and publicity</u>		
Other fundraising costs	4,275	12,305
Staff costs	49,019	26,573
	<hr/>	<hr/>
Fundraising and publicity	53,294	38,878
	<hr/>	<hr/>
<u>Trading costs</u>		
Operating charity shops	71,382	116,850
Other trading activities	531,028	773,879
Staff costs	892,905	954,439
	<hr/>	<hr/>
Trading costs	1,495,315	1,845,168
	<hr/>	<hr/>
	1,548,609	1,884,046
	<hr/>	<hr/>



MERCY IN ACTION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

9 Charitable activities

	Project costs 2020 £	Support and governance costs 2020 £	Total 2020 £	Project costs 2019 £	Support and governance costs 2019 £	Total 2019 £
Staff costs	282,676	-	282,676	318,574	-	318,574
Rent, rates and water	141,763	-	141,763	49,348	-	49,348
Insurance	9,257	-	9,257	7,699	-	7,699
Light and heat	18,089	-	18,089	6,649	-	6,649
Telephone	4,892	-	4,892	3,984	-	3,984
Postage and stationery	1,595	-	1,595	449	-	449
Sundries	7,637	-	7,637	28,615	-	28,615
Direct charitable expenditure	295,759	-	295,759	385,742	-	385,742
Distribution costs	11,952	-	11,952	20,234	-	20,234
Staff training	2,127	-	2,127	3,087	-	3,087
Premises expenses	89,877	-	89,877	192,271	-	192,271
Travel expenses	17,688	-	17,688	37,916	-	37,916
Legal and professional fees	11,015	-	11,015	514	-	514
Commission	-	-	-	121	-	121
Support and governance	-	36,706	36,706	-	43,675	43,675
	894,327	36,706	931,033	1,055,203	43,675	1,098,878
Grant funding of activities	9,299	-	9,299	5,969	-	5,969
	903,626	36,706	940,332	1,061,172	43,675	1,104,847
<b>Analysis by fund</b>						
Unrestricted funds - general	877,559	36,706	914,265	1,060,241	43,675	1,103,916
Restricted funds	26,067	-	26,067	931	-	931
	903,626	36,706	940,332	1,061,172	43,675	1,104,847

MERCY IN ACTION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10 Grants payable

	Project costs 2020 £	Project costs 2019 £
Grants to institutions: Cebu Projects	9,299	5,969

11 Net movement in funds

	2020 £	2019 £
Net movement in funds is stated after charging/(crediting)		
Depreciation of owned tangible fixed assets	22,770	25,493
Auditors remuneration	11,661	16,830

12 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

	2020 £	2019 £
Audit of the annual accounts	11,661	16,830

13 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

There were trustee expenses relating to travel costs paid during the year which amounted to £4,522 (2019: £7,686).

14 Employees

Number of employees

The average monthly number of employees during the year was:

2020	2019
99	112

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

**14 Employees****Employment costs**

	2020 £	2019 £
Wages and salaries	1,164,316	1,232,325
Social security costs	49,715	55,881
Pension costs	10,569	11,381
	<u>1,224,600</u>	<u>1,299,587</u>

During the year key management personnel comprised of Lee Giles, James Nicholas and John Todd and they were paid total remuneration (including Employers National Insurance and pension) of £77,772.

No employees received emoluments in excess of £60,000.

**15 Tangible fixed assets**

	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2020	157,225	9,186	12,600	179,011
Additions	4,739	3,483	-	8,222
	<u>161,964</u>	<u>12,669</u>	<u>12,600</u>	<u>187,233</u>
<b>Depreciation and impairment</b>				
At 1 January 2020	27,083	2,423	8,614	38,120
Depreciation charged in the year	20,236	1,537	997	22,770
	<u>47,319</u>	<u>3,960</u>	<u>9,611</u>	<u>60,890</u>
<b>Carrying amount</b>				
At 31 December 2020	<u>114,645</u>	<u>8,709</u>	<u>2,989</u>	<u>126,343</u>
At 31 December 2019	<u>130,142</u>	<u>6,763</u>	<u>3,986</u>	<u>140,891</u>

MERCY IN ACTION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

16 Group debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	15,018	22,604
Other debtors	87,917	57,726
Prepayments and accrued income	116,759	113,024
	<u>219,694</u>	<u>193,354</u>

17 Group creditors: amounts due within one year

	Notes	2020	2019
		£	£
Bank loans	19	7,500	-
Other taxation and social security		8,699	12,197
Trade creditors		100,718	53,363
Other creditors		7,836	6,316
Accruals and deferred income		63,791	14,607
		<u>188,544</u>	<u>86,483</u>

18 Group creditors: amounts due after more than one year

	Notes	2020	2019
		£	£
Bank loans	19	217,500	-

19 Group loans and overdrafts

	2020	2019
	£	£
Bank loans	225,000	-
Payable within one year	7,500	-
Payable after one year	217,500	-

MERCY IN ACTION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

19 Group loans and overdrafts

The bank loan is repayable over 60 months and interest is charged at 2.08% per annum.

The loan is secured with an unlimited debenture from Mercy in Action Trading Limited.

20 Company debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	802	-
Other debtors	13,687	16,550
Amounts owed by group undertakings	10,088	11,736
VAT	33,574	33,995
Prepayments and accrued income	89,116	85,852
	<u>147,267</u>	<u>148,133</u>

21 Company creditors: amounts due within one year

	2020	2019
	£	£
Other taxation and social security	1,011	-
Trade creditors	81,415	14,966
Other creditors	732	2,131
Accruals and deferred income	14,474	7,213
	<u>97,632</u>	<u>24,310</u>

MERCY IN ACTION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

**22 Operating lease commitments**

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	£	£
Within one year	308,348	308,348
Between two and five years	1,040,675	1,040,675
In over five years	259,324	526,770
	<u>1,608,347</u>	<u>1,875,793</u>

**23 Related party transactions**

**Transactions with related parties**

During the year the charity paid rent of £46,250 (2019: £42,010) to LT Jones Properties Limited, a company of which Mr T R Jones is a director. Rent paid was at normal commercial rates. There were no balances outstanding at the 31st December 2020.

**24 Subsidiaries**

Details of the charity's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Mercy in Action Trading Limited (Company no: 11025273)	Jubilee Centre, Lower Bristol Road, Bath, BA2 9ES	Retail sales	Ordinary	100.00	

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Mercy in Action Trading Limited (Company no: 11025273)	(20,131)	114,373

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

**25 Restatement of comparatives**

The comparative has been restated to correct the value of restricted funds. The charity had received £22,186 of restricted funds and incurred £931 of expenditure relating to these funds in the year ending 31st December 2019.

<b>26 Cash generated from operations</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Surplus for the year	236,892	77,609
Adjustments for:		
Interest received	(62)	(17)
Finance costs	20,433	23,241
Depreciation of tangible fixed assets	22,770	25,493
Movements in working capital:		
(Increase) in debtors	(26,340)	(15,430)
Increase in creditors	94,561	20,726
<b>Cash generated from operations</b>	<b>348,254</b>	<b>131,622</b>

**27 Analysis of changes in net funds**

	<b>At 1 January 2020</b>	<b>Cash flows</b>	<b>At 31 December 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	77,532	544,661	622,193
Loans falling due within one year	-	(7,500)	(7,500)
Loans falling due after more than one year	-	(217,500)	(217,500)
	<b>77,532</b>	<b>319,661</b>	<b>397,193</b>

MERCY IN ACTION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

**28 Movement in funds**  
**Group**

	<b>Movement in funds</b>			
	Balance at 1 January 2020	Incoming resources	Resources expended 31 December 2020	Balance at 31 December 2020
	£	£	£	£
Unrestricted funds - general funds	304,039	2,652,981	(2,462,874)	494,146
Restricted funds	21,255	72,852	(26,067)	68,040
Total funds	325,294	2,725,833	(2,488,941)	562,186

**Company**

	<b>Movement in funds</b>			
	Balance at 1 January 2020	Incoming resources	Resources expended 31 December 2020	Balance at 31 December 2020
	£	£	£	£
Unrestricted funds - general funds	169,571	1,141,765	(931,527)	379,809
Restricted funds	21,255	72,852	(26,067)	68,040
Total funds	190,826	1,214,617	(957,594)	447,849

Restricted funds relate to Action Pantry Bath and Oxford, Petra Housing project in Bath and CEBU projects in the Philippines.



MERCY IN ACTION

DETAILED CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

	31.12.20 £	31.12.19 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Donations	188,389	166,787
Gift Aid	159,248	21,870
	<u>347,637</u>	<u>188,657</u>
<b>Other trading activities</b>		
Shop income	1,461,980	2,721,091
Online income	10,277	7,894
Other income	-	18,690
	<u>1,473,257</u>	<u>2,747,675</u>
<b>Investment income</b>		
Rents received	164,110	73,143
Interest received	62	17
	<u>164,172</u>	<u>73,160</u>
<b>Charitable activities</b>		
Grants	28,819	57,010
	<u>28,819</u>	<u>57,010</u>
<b>Other income</b>		
Other non-charitable grants	686,289	-
Insurance proceeds	26,659	-
	<u>712,948</u>	<u>-</u>
<b>Total incoming resources</b>	<u>2,725,833</u>	<u>3,066,502</u>
<b>EXPENDITURE</b>		
<b>Raising donations and legacies</b>		
Wages and staff costs	48,902	26,573
Pensions	117	-
Insurance	404	646
Telephone	262	-
Postage and stationery	803	1,856
Sundries	409	1,119
Gift aid administration	297	7,987
Staff training	-	5
Subscriptions	143	634
Travel and motor expenses	157	49
Legal & professional fees	1,801	7
	<u>53,295</u>	<u>38,876</u>
<b>Other trading activities</b>		
Purchases	8,620	15,489
Wages	884,987	945,891
Pensions	7,918	8,549
Commissions	125,865	224,756
Staff training	434	1,687
	<u>1,027,824</u>	<u>1,196,372</u>
<b>Carry forward</b>	<u>1,027,824</u>	<u>1,196,372</u>

**MERCY IN ACTION**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>31.12.20</b>	<b>31.12.19</b>
	<b>£</b>	<b>£</b>
Brought forward	1,027,824	1,196,372
Till running costs	3,004	5,238
Light and heat	37,361	44,020
Sundries	30,478	38,305
Insurance	12,451	15,863
Postage and stationery	2,074	12,802
Rent, rates and water	238,295	393,085
Repairs and renewals	19,877	34,554
Subscriptions	4,919	6,512
Telephone	15,259	11,766
Travel and motor expenses	42,557	39,279
Advertising	1,942	6,003
Legal and professional fees	34,705	18,131
Bank charges	20,443	23,241
Bad and doubtful debts	3,331	-
Interest on overdue taxation	144	-
	<b>1,495,315</b>	<b>1,845,171</b>
<b>Charitable activities</b>		
Wages	280,142	315,853
Pensions	2,534	2,721
Rent, rates and water	141,762	49,349
Insurance	9,257	7,699
Light and heat	18,740	6,649
Telephone	4,892	3,982
Postage and stationery	1,595	449
Sundries	7,637	28,615
Direct charitable expenditure	295,759	385,742
Distribution	11,952	20,234
Staff training	2,127	3,087
Premises expenses	89,877	192,271
Travel expenses	17,688	37,916
Legal and professional fees	11,015	514
Commission	-	121
Grants to institutions	9,299	5,969
	<b>904,276</b>	<b>1,061,171</b>

MERCY IN ACTION

DETAILED STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

	31.12.20 £	31.12.19 £
<b>Support costs</b>		
Bank charges	2,275	1,352
Depreciation – fixtures and fittings	20,236	22,968
Depreciation – motor vehicles	997	1,329
Depreciation – computer equipment	1,537	1,196
	<u>25,045</u>	<u>26,845</u>
<b>Governance costs</b>		
Auditors' remuneration	<u>11,661</u>	<u>16,830</u>
<b>Total resources expended</b>	<u>2,488,941</u>	<u>2,988,893</u>
<b>Net income</b>	<u><u>236,892</u></u>	<u><u>77,609</u></u>





# Mercy in Action



ANNUAL REPORT 2020



# WHY WE EXIST & OUR VISION

WE TAKE  
ACTION  
AGAINST  
POVERTY,  
INJUSTICE &  
INEQUALITY  
TO SEE  
CHILDREN &  
FAMILIES  
FLOURISH

No child should have to grow up not knowing where their next meal will come from, if their electricity will run out or if they will have a roof over their head. But for children and families living in poverty these fears are a part of life.

Growing up in poverty has a serious knock on effect that can impact a child's nutrition, self-esteem, access to medical care, education and mental health. Living in extreme poverty also increases the chances of children experiencing adverse childhood trauma and leaves children and families at higher risk of exploitation.

The issues surrounding poverty aren't going anywhere fast but we have seen a holistic approach that is community-led works. We don't just look at the practical needs but also provide children and families with care, emotional support and teaching tools they need to put them on the right path to overcoming the negative outcomes living in poverty may have.



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# MESSAGE FROM OUR CHAIR & FOUNDER



Welcome to our 2020 Annual report. It will come as no surprise to say that 2020 brought us the biggest change we've ever faced. None of us foresaw a global pandemic that would change everything overnight. From mid March onwards every project and service was stretched to provide for more families in every area of our work. The almost immediate lock down meant that income was greatly affected and it wasn't clear what we could do to help those in need. However, everyone at Mercy in Action, both in the UK and the Philippines came together to find a way ahead. National and international projects

quickly adapted to meet logistical, financial and practical constraints in order to meet the increased needs we faced. Those staff not furloughed thought outside the box to deliver creative solutions, our donors gave more generously than ever and we made use of government help. 28 shops were shut during the 19 weeks of national lockdown and several unable to reopen at all due to staff sickness, recruitment problems and other difficulties. Despite these barriers to trading, the shops that were open managed to keep sales high alongside keeping their teams and customers safe. Thorough Covid cleaning, isolation of donations and plenty of sanitiser meant we were confident that Mercy in Action shops were fully compliant with all government recommendations. The summer months brought in donated goods at a level previously unseen which again meant additional work at a time of fewer staff. However, overall with changes to how goods were handled, additional collections and hard work we were able to resume trading as conditions allowed and were satisfied everything possible had been done to allow for maximum profits. We're proud to say that despite the concerns and difficulties, Mercy in Action was more effective than ever. As we look ahead we are hoping for a more settled time to take stock, reflect and build for the future.

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*Allison Todd*

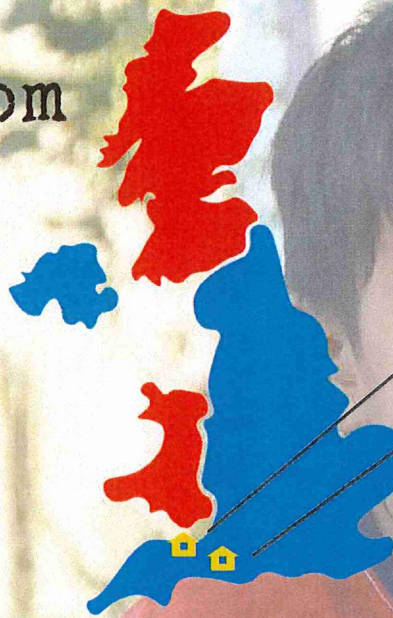
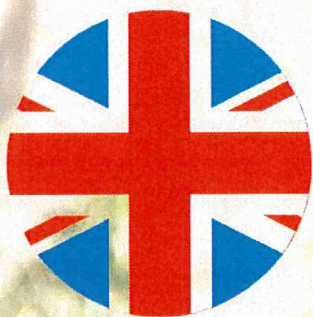
Founding Director



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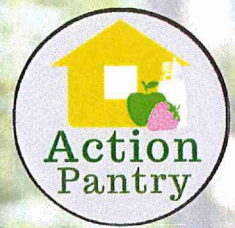
# WHERE WE WORK

## The United Kingdom



Bath

Oxford

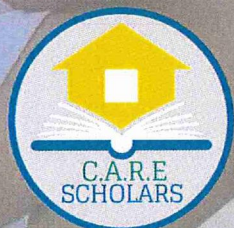


## The Philippines



Cebu

Talisay





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# HOW WE TAKE ACTION



Food



Housing



Education

This year we reached

**5,643**

people with our services



We have grown Action Pantry into one new location and increased food distribution to 162 families per week, saving 50 tons of food from landfill.

Two new Petra homes have opened providing supported housing for young mums and their babies at-risk of homelessness.





# HOUSING

## Case Study

A 25 year old mum of one had to flee the home she was sharing with her boyfriends after he became abusive during lockdown.



Knowing she needed somewhere safe to go she used social media to reach out for help. Petra Project team became aware of her predicament and with the support of the police she was moved into a Petra Home. The Petra support workers were able to offer her the emotional support, practical advice and encouragement she needed to move on. Both mum and child are thriving. The mum has become a volunteer offering friendship to other mums in similar situations. She has built a life for her child with a great community around herself with friends, neighbors and a local church. She is a young entrepreneur starting her own business and has a bright future ahead of her.

Homelessness looks very different around the world. Insecure and unstable housing can leave children and young people highly vulnerable to abuse, trafficking and exploitation.

In the Philippines we provide long-term shelter for children rescued from homelessness and trafficking in person. Our Group Homes and foster families allow children to feel safe and accepted, and from attachment with loving careers whilst receiving holistic after care. Most children have regular contact with their birth families which is supervised by social workers. Our social workers support birth families to try and see every child reunited in a safe and stable home wherever possible.

In the UK Petra is our housing project providing supported accommodation to young mothers and mothers-to-be. Petra homes are safe and secure, nurturing an environment where mums and babies can build strong and loving attachments. We strive to be inclusive, caring and welcoming for every family. provide low to medium support to prepare young mums for independent living. The team of trauma informed professionals are in house Mondays to Fridays. They are equipped to provide nurturing and helpful guidance during these most vital early months

## Key Achievements



2 new Petra homes



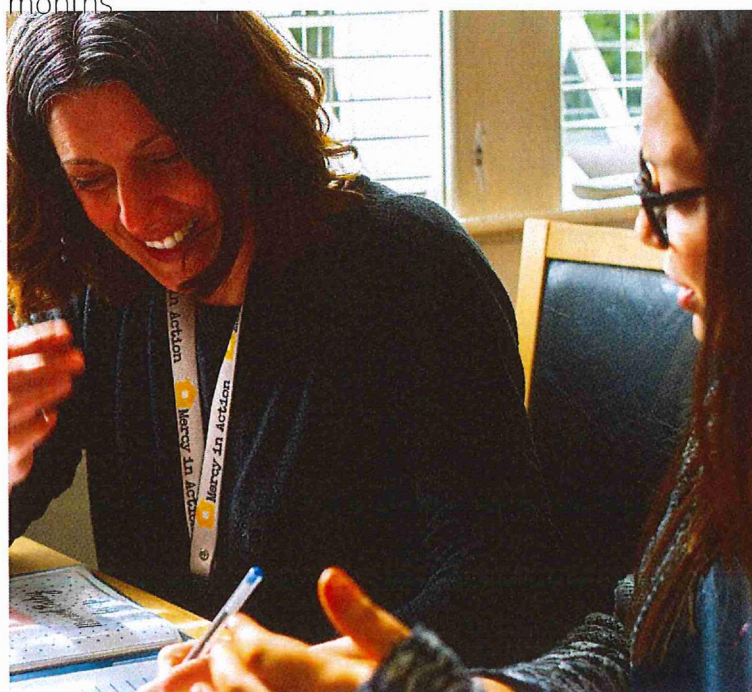
Spring Village housed 43 children and young adults



Petra housed 73 adults & children in the UK



Petra Pad housed 8 young men





# FOOD & NUTRITION

We know children who grow up in food poverty are more likely to under perform academically, have a higher level of malnutrition and face negative outcomes.

Action Pantry Bath began as a local initiative in 2019 to make affordable food easily accessible to people experiencing financial hardship and/or health issues. Through Action Pantry, we make nourishing food accessible to people living in some of the most deprived areas in England. Within a year, the Pantry was supporting over 100 families with weekly fresh food and cupboard essentials, and additional school meals during the holidays. We opened our second Pantry in Oxford in 2020, and within a month were providing groceries and free school meals to over 35 families. With growing food insecurities due to the impact of coronavirus, our Pantries are a vital resource to hundreds of families.

The feeding program in Cebu has been running since 2009. It was more vital than ever in 2020 as quarantine rules led to higher levels of unemployment and lower incomes for families already living in extreme poverty. We adapted due to Covid-19 restrictions. Food parcels were dropped directly to schooling program members homes and we increased the amount of food to ensure the entire family was fed.

## Key Achievements



Over 50 tons of food saved from landfill in the UK



Feeding over 600 families every week



Over 60,000 meals served in the year

## Case Study

In April of 2020 quarantine lockdown began in The Philippines as Covid-19 cases grew. Riezels is 12, her father is a taxi driver and her mother a laundry woman. Overnight both parents realised they couldn't work. Taxis were banned and her mother couldn't travel to her place of work. Riezel and her siblings were not allowed to go to school and travel outside home was banned aside from a twice a week visit to the market. All their sources of income were lost and because her parents were self-employed so not entitled to any compensation. In the first few weeks the local government gave them a monthly rice allowance. But on the 5th month the rice was rotten and then the support ended. However Mercy in Action delivered fresh food to for the whole family every week. Eventually at home learning modules for school began. The MiA teachers began to visit Reizel and do crafts with her and her neighbours. She had help with her maths and learnt her times tables properly. Without the weekly food Riezels parents would have gotten into incredible debt just to feed their children.



# EDUCATION

## Case Study

In April of 2020 quarantine lockdown began in The Philippines as Covid-19 cases grew. Riezels is 12, her father is a taxi driver and her mother a laundry woman. Overnight Taxis were banned and her mother couldn't travel to her place of work. Riezel and her siblings were not allowed to go to school or leave the house. All their sources of income were lost. As Riezel couldn't get her hot school lunch MiA would usually provide we delivered fresh food to for the whole family every week. After a few months of uncertainty the Education Department announced children could be enrolled for a year of home learning modules. Our support worker helped Riezels mum do the enroll her and made sure she could collect the modules each week. The MiA teachers began to visit Reizel at home to do arts and crafts with her and her neighbors. She had help from her MiA tutor with her maths and learnt her times tables properly. With weekly one-on-one help she's able to ensure all her work gets done and submit all her modules on time. She is due to finish her school year with a special award from her teacher who has seen her hard work pay off!

## Key Achievements

- 140 laptops to support university remote learning
- 143 university graduates
- 398 scholars supported
- 15,635 meals served

Our schooling program serves children from marginalised communities in the Philippines. Growing up in poverty they face more barriers to access education, especially moving into higher education. Our team of teachers, support workers and social workers ensure students not only remain in school, but thrive and reach their potential. We give support to the family as a whole with parenting and marriage courses, training courses, counselling and more. In 2020 we were unable to offer our monthly parenting meetings and courses due to covid 19 restrictions. However the team focused on home visits and online material. They also offered one-on-one and group tutoring and made sure each child was enrolled and receiving school work and modules from their teacher. Students were provided with school supplies and arts and craft activities.



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# OUR SAFEGUARDING

## Our Approach

We're with the Charity Commission that 'protecting people and safeguarding responsibilities should be a priority for all charities'. Our approach to safeguarding isn't just about looking out for children and young people we work with but it's also about being aware that every life touched by our work; families, supporters, donors, volunteers and staff, must be safeguarded.

So this year we've worked even harder to be a charity where we are open about safeguarding, where everyone understands what we mean by safeguarding and where safeguarding and where it is everyone's responsibility. Some of our key elements of safeguarding are:

- Director of Safeguarding
- Updated and reinforced safeguarding changes during Covid-19
- Safeguarding policies reviewed annually
- Individual risk assessments and safeguarding policies for each project
- Support workers training to level 2 minimum
- Managers trained to level 3 minimum
- Safeguarding structure for reporting incidents reviewed
- All project team members and volunteers DBS checked
- Managed, reviewed, and reported safeguarding

## Aims for 2021



Post our safeguarding policy on the website for the first time



Organise a safeguarding week for the wider team and volunteers



Introduce a safeguarding advisory committee in the Philippines



Introduce safeguarding policies for our online charity activities and trainings



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# OUR FUNDRAISING

## Our Approach

The pandemic has hugely impacted our fundraising for 2020. We have had to invested more into our online fundraising and raising our online profile. Many of our planned annual fundraising activities had to be postponed for 2020. However despite all these battles we have had a successful year with an increase in standing orders and giving. We have also had successful grant applications. Some of our highlights are as follows:

- We have invested in a new website due to be launched in the first quarter of 2021
- Invested in film making to keep supporters engaged with projects
- Switched to online sale of Christmas cards
- Online giving campaigns
- Updated our strategy for charity shops
- Invested in a new CRM software to keep in better touch with our supporters

## Aims for 2021



Create an ethical fundraising policy that is clear and transparent



Update our fundraising strategy



Survey supporters for greater feedback, mystery shoppers



Launch new website and offer online sales



Survey shoppers and have mystery shoppers in charity retail shops





# GOVERNANCE

The Board of Trustees for the charity and the Board of Directors for Mercy in Action Trading are responsible for overall governance and meet at least four times each year.

The Board receives regular reports on all aspects of the charity's work. The Board is responsible for setting an appropriate strategy for the charity. It also ensures that relevant performance measures are in place.

At the outset of the Covid pandemic in March 2020 The Board moved to online meetings. They met much more frequently throughout the year to monitor our response to Covid, to make recommendations to the senior management team and to offer them additional support.

The directors reviewed the reserves policy which states that "the Charity should hold free reserves of at least 3 months operating capital which within the current year equates to approximately £500,000." Current free reserves equal £367,803 a shortfall of £132,197 operating capital. We will add £100,000 each year to our reserves until the required level is met.

## Public benefit

We have reviewed our aims and objectives and planning our future activities in line with our charity purposes to; Advance the Christian faith, we show the love of god for all people and his care for people and the challenges they face in life, relieve hardship, sickness and distress.

We have referred to and complied with the duty in section 17 and the Charities Act 2011. This relates to having due regard to the Charity Commission's published general guidance on public benefit. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

## Aims for 2021



To develop our risk register under the guidance of a risk register specialist company



To increase the number and diversity of Directors on our board



To review our articles of association to ensure we are complying with best practice in every area



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# OUR 2021/2022 GOALS

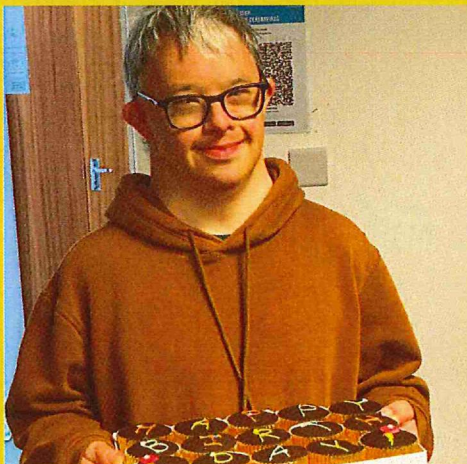
Make our services easy to reach even in the hardest of times.



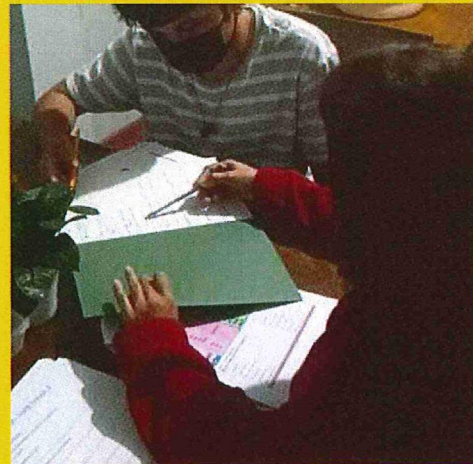
Be there for everyone who needs us in the area we work.



Become more sustainable and prepared for future risks



Improve specialist support for stakeholders in our residential programs.





# RISKS & CHALLENGES

Our Board of Trustees and Senior Management Team together identify potential risks as we pursue our strategic objectives, looking at our impact, our financial sustainability, our governance and compliance. Where we are faced with hard decisions, we will need to take them based on our best view of what the future will look like, for example how people will be living their lives and staying safe, and our likely income opportunities, so that we can be flexible as the future emerges. The coronavirus pandemic has thrown up challenges. Our top challenges in 2020/2021 have been:

1. Keeping people safe
2. Our ability to raise money to keep our services going now & into the future
3. Being present for people in their toughest times of need

These will be our top priorities for 2021/2022.

Keeping people safe - It has been an immensely challenging time to care and support vulnerable children and families. During the pandemic a number of adjustments have been made to our services. For example, team members have been working from home wherever possible, we are using more online services, PPE provisions and healthy and safety measures have been taken in all our homes so they could remain open as we know how vital they are.

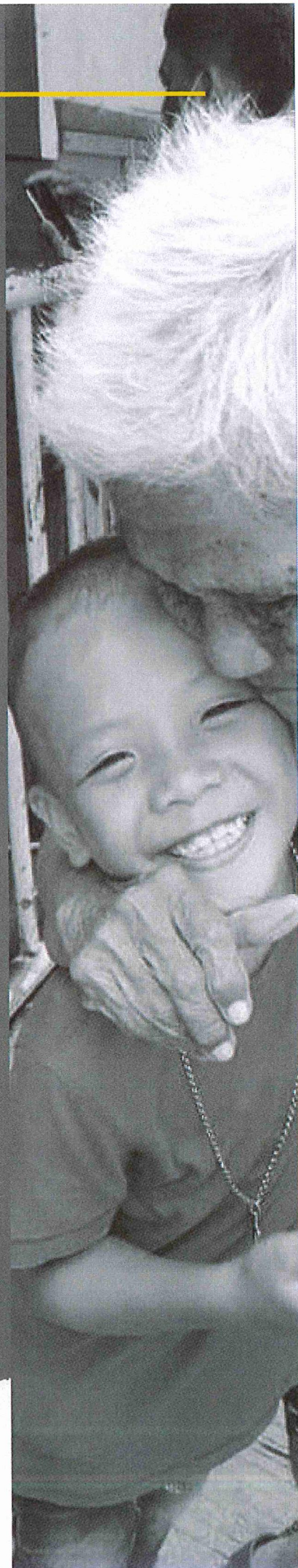
Raising money - Raising Money to keep our services going has been hugely challenging. Due to Covid our charity shops were closed for over 4 months of the year. We launched an emergency appeal for funds and new methods of fundraising. At the same time, we have taken some tough decisions to temporarily reduce our costs by furloughing many of our staff who do not work on the frontline. We will do everything we can to maximise our income, but we need to make sure we can cover our costs in the next few years and this may lead to some changes.

Being present for people through the toughest times - We will need to plan for a future that is currently very uncertain. We know that children and young people need us more than ever, but, like everyone, there are many things we do not know about the future. Where we are faced with hard decisions, we will need to take them based on our best view of what the future will look like, for example how people will be living their lives and staying safe, and our likely income opportunities, so that we can be flexible as the future emerges. We will draw on all the available insight and research we can in this.

## Aims for 2021

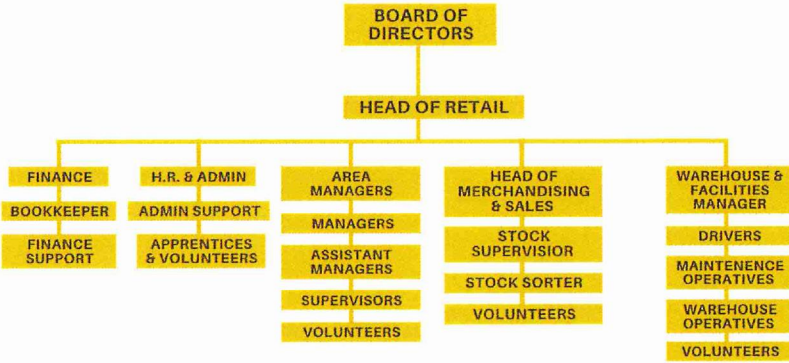


To engage with a Risk Consultancy Agency to audit our current systems and methods so that we are fully compliant with best practice in this area

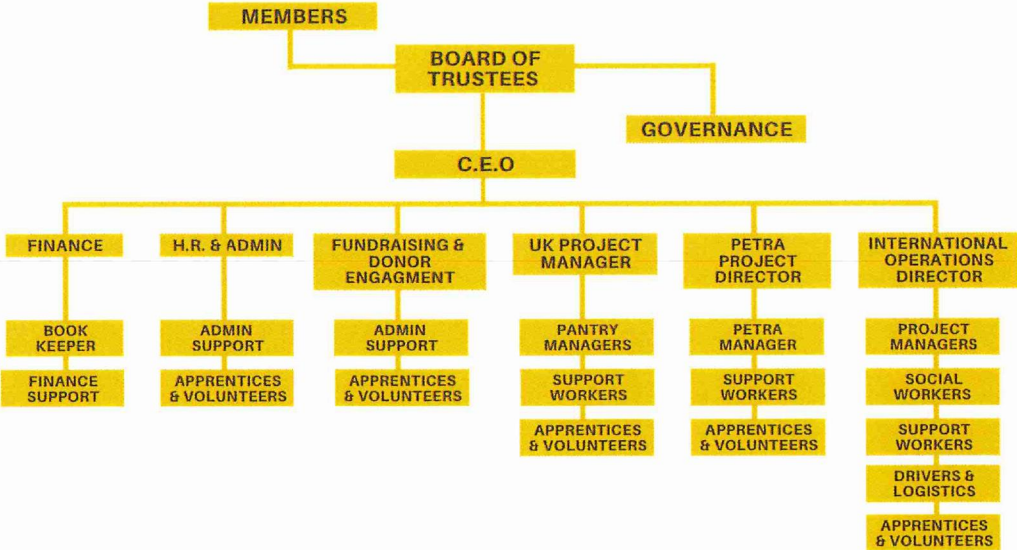




# Structure



RETAIL STRUCTURE  
2020 CHARITY & RETAIL



MERCY IN ACTION STRUCTURE  
2020 CHARITY & RETAIL



# THANK YOU!

We couldn't do  
what we do  
without our  
amazing  
supporters,  
ambassadors,  
sponsors,  
volunteers &  
partners!

