

**Charity registration number 1114559**

**Company registration number 05818995 (England and Wales)**

**MIDLAND DOCTORS ASSOCIATION UK**

**ANNUAL REPORT AND UNAUDITED  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

# MIDLAND DOCTORS ASSOCIATION UK

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Dr S Y Iftikhar (Chair) Dr J Ahmed Dr A Rashid Dr K Latief Mr S Hussain Dr Z Sheikh Mr A A Najib Mr I Ali Mr R U Amin Ms T Kent-Chapman Mr M Altaf Dr F Rashid
<b>Secretary</b>	Dr A Rashid
<b>Charity number</b>	1114559
<b>Company number</b>	05818995
<b>Principal address</b>	11 Snelston Crescent Littleover Derby DE23 6BL
<b>Registered office</b>	11 Snelston Crescent Littleover Derby DE23 6BL
<b>Independent examiner</b>	Philip Handley FCA HSKS Greenhalgh Ltd Charlotte House Stanier Way The Wyvern Business Park Derby DE21 6BF
<b>Bankers</b>	HSBC UK Bank Plc 1 St. Peter's Street Derby DE1 2AE

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# MIDLAND DOCTORS ASSOCIATION UK

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# MIDLAND DOCTORS ASSOCIATION UK

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 DECEMBER 2023

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The trustees present their annual report and financial statements for the year ended 31 December 2023.

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)" (effective 1 January 2019).

### Objectives and activities

The charity's short-term goals are:

- To facilitate the activities of the Midland Doctors Medical Institute in Muzaffarabad, Pakistan.
- To facilitate to continue supporting Nur Goth, a village consisting of 100 houses which is located in Sindh Province, Pakistan, including the provision of free hot meals to all the pupils of the school.
- To support a number of post-graduate students at the Light House School in Rawalpindi, Pakistan.
- Providing consultancy support to Bangrilla Community Hospital in Mirpur, Kashmir, Pakistan, which is run by The Umeed Welfare Trust (United Kingdom), a registered charity in England and Wales (charity number 1106147).
- To fund and support malnutritionary programme at Bangrilla Community Hospital.

The charity's long-term goals are:

- To consider the regional impact of humanitarian healthcare work in Pakistan and in particular the Kashmir region.
- To consider working in partnership with other agencies to deliver humanitarian care, such as in Malawi.

The short-term goals are related to humanitarian medical relief work, which is also the vision and mission of Midland Doctors Association.

The longer-term goal is a continuation of this theme and therefore, there's a relationship between the charity's short-term and long-term goals.

### Strategies for achieving aims and objectives

The concept behind Midland Doctors Association UK originated when a team of senior National Health Service doctors flew to Pakistan to provide medical assistance in the wake of the powerful earthquake which struck northern Pakistan on 8 October 2005, killing over 87,000 and displacing over 3.5 million people.

Having witnessed at first hand the suffering of the local people and the destruction of their medical facilities, the doctors were inspired to establish this charity whose principal aims were to purchase, equip and operate a hospital facility in the Kashmir region of Pakistan, and to raise public awareness of health issues affecting people in developing countries.

The charity has successfully achieved its initial objectives and aims, and it currently is heavily involved in the day to day running and administration of projects already completed in Pakistan.

A maternity unit is functioning well at Nur Goth Hospital and the charity continues to provide on going support to the pregnant women at this unit.

The Citizen Foundation(UK), a registered charity in England and Wales, charity number 1087864 which is also known as TCF-UK, has been allowed by the charity to build a school on their land for local children of Nur Goth. The school building which was completed by TCF-UK continues to operate successfully and the school is run by TCF-UK.

The charity worked in the Sindh area and in Khyber Pakhtunkhwa in the northwest region. Flood relief funds raised were used for flood related issues and the Nur Goth Hospital.

# MIDLAND DOCTORS ASSOCIATION UK

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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### *Public benefit*

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our objectives and also in planning our future objectives. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

### *Volunteers*

The trustees wish to express their heartfelt gratitude to all the individuals and organisations who have donated their time, money and services to the charity. Without the active support of these volunteers it would be impossible to realise the achievement of the vision shared by the trustees.

### **Strategic report**

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

### **Achievements and performance**

#### *Significant activities and achievements against objectives*

As previously reported, the charity completed the construction of a hospital, now known as Midland Doctors Medical Institute, in Tandali District, Muzaffarabad, Kashmir, Pakistan in March 2013. The total cost of the hospital as at 31 December 2023 amounted to £2,108,506 (2022: £2,104,996), which included £3,520 (2022: £89,368) incurred in the year under review as part of the ongoing improvement and development of hospital facilities. The Nur Goth Village project, which was completed in 2013, is constantly monitored to ensure that full benefit continues to accrue to the poorest families who occupy the houses constructed under the project.

During the year the charitable company has received donated goods and services in furtherance of its operational activities and objectives. In particular the charitable company has received a laser lithotripter from the Tomini Group, and the trustees would like to extend their thanks to them for their kind donation.

#### **Hospital developments:**

During the year, the charity has funded new equipment and developed new department at the hospital:

- Laser Lithotripsy
- Gastroenterology / endoscopy

Since the year end the charitable company has purchased further angiography equipment as they are routinely performing coronary angiographs and stenting.

#### *Significant factors*

Firstly, the Midland Doctors Medical Institute utilises the majority of the charity's resources, as its main objective as an organisation is to support MDMI. The other two short term objectives do not take up significant resources. In terms of positive effects, the charity's capabilities have expanded over the past twelve months; we are providing more services and we are providing care that is not available in many parts of the Kashmir region of Pakistan. In fact, our Nutrition Programme that aims at taking care of children with severe nutritional deficiency, does not even exist in that part of the Kashmir region of Pakistan. As the project develops, the negative pressures are coming to the fore. As we are becoming more popular in the region, our services are more well known and people are linking us to better quality of medical care. This then drives demand but then the shortcoming is that we don't have endless supply of resources. In view of the issue of financial constraints, and in particular as fundraising is a key aspect of the source of funds, we have to always consider the implications of our services on our financial resources.

Another negative factor is that we need to consider fundraising as ongoing activity, therefore as an organisation we have considered ways and means of diversification so that the risks of not being able to achieve our funds through fundraising are diversified.

The Dubai head quarters that were opened during the latter stages of 2018 have continued to enhance the capability to achieve fund raising.

# MIDLAND DOCTORS ASSOCIATION UK

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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### *Fundraising performance*

Midland Doctors Association UK has a large network cluster, working with fundraisers, with whom trustees have worked tirelessly, both nationally and internationally. Through these networked contacts, funds were donated during the year to 31 December 2023. In addition, fundraising and sponsorship events were also organised during the year, whereby monies were raised from individuals and local companies, with the costs of generating voluntary income being covered largely by sponsorship. It remains the Trustees' intention to cover costs through further sponsorship and gift aid refunds. The remainder of the donations came directly from other benefactors and institutions.

During the year the charity has organised a number of events: In February 2023 a Birmingham event was organised to raise awareness of the charity but no funds were collected on the day; In March 2023, an event in Dubai was held which raised approximately AED 400K; In Mar 2023 a Nottingham event raised approximately £80K; In May 2023, a US event raised approximately \$50K, which came through the National Health Forum who collected the funds on behalf of MDA UK; In November 2023 an event was held at Nawaab Restaurant in London raising approximately £10k.

### **Key performance indicators**

The strategy of Midland Doctors Medical Institute has been to adhere to the key guidelines as allocated by the General Medical Council UK (GMCUK) in particular, the role of a doctor. The facilities are also incorporating international guidelines such as the World Health Organization's guidelines for theatre and surgical departments. The evaluation of Key Performance Indicators would be beyond the scope of this financial document.

### **Financial review**

For the year 1st January 2023 to 31 December 2023, the in-year surplus figure is £136,578 (2022: surplus of £60,448), increasing the net assets to £3,144,453 (2022: £3,007,875).

### *Going concern*

During the year under review, the COVID-19 pandemic continued to be a significant risk to the global economy. Furthermore, with the ongoing conflict situation in Palestine / Gaza, donations are likely to reduce in future periods.

The trustees continue to monitor the impact on the charitable company on an ongoing basis and note the success of the vaccination programme within Pakistan and the wider world. At the time of approving these financial statements, the trustees do not consider COVID-19 to impact the charitable company's ability to continue as a going concern and consider the balance sheet to be appropriately valued.

### *Reserves policy*

Reserves are needed to meet the day to day running costs of the hospital and to cover any unplanned other expenditure. The trustees consider that the ideal level of reserves as at 31 December 2023 would be £650,000, equating to approximately one year of charitable expenditure (excluding capital expenditure).

The free reserves at the year end amounted to £632,417 (2022: £451,208). In calculating the free reserves, the trustees have excluded from the total funds the fixed assets of £2,512,036 (2022: £2,556,667). The trustees are satisfied with the level of free reserves at the reporting date. If the charitable company were to enjoy the benefit of funds in excess of the ideal level, the trustees would aim to utilise such funds to invest in permanent endowments to produce a financial return to support the future success of the charitable company.

### *Principal funding sources*

The principal fundraising is made from the international network resources that have been built since the formation of the charitable company. The Midland Doctors Association UK work is continually being promoted worldwide and the Trustees are constantly working with the network to ensure the fundraising continues successfully. The Trustees consider the results for the year to be satisfactory and the charity continues to remain in a reasonable financial position.

# MIDLAND DOCTORS ASSOCIATION UK

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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### **Plans for future periods**

The charity will continue to raise further funds to meet the ongoing operational costs of the hospital, and further capital expenditure will be made to enlarge the hospital facility with the passage of time and needs of the local population.

The charity is earmarked by the local government in Pakistan to manage the project of identifying malnourished children. Currently the charity is covering 5 villages around the hospital in Muzaffarabad, Kashmir, Pakistan and would expand on this project going forward to cover wider area. This will be done with support from Bangrilla Community Hospital, Mirpur.

The charity's future plans include the purchase and management of equipment for coronary artery disease, primarily for stent operations.

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

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

The company, incorporated under the Companies Act 1985 and 1989, is limited by guarantee and does not have a share capital. Its registered number is 5818995, and the company is also registered as a charity under the Charities Act 1993, number 1114559.

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:

Dr S Y Iftikhar (Chair)

Dr J Ahmed

Dr A Rashid

Dr K Latief

Mr S Hussain

Dr Z Sheikh

Mr AA Najib

Mr I Ali

Mr R U Amin

Ms T Kent-Chapman

Mr M Altaf

Dr F Rashid

### *Recruitment and appointment of trustees*

The Board of Trustees consists of twelve members as at 31 December 2023.

The company's Articles of Association allow for Trustees to serve for a three year term. Trustees must retire at the annual general meeting following their completion of three years' service, but may stand for re-election.

The Board has the power at any time, and from time to time, to appoint any person to be a Trustee, either to fill a casual vacancy or as an addition to the existing Trustees. Any Trustee appointed holds office only until the next following annual general meeting, and then becomes eligible for re-election.

Trustees are elected to the board in accordance with a voting system outlined in the charity's constitutional document. The responsibilities of trustees are allocated according to their skills, abilities and areas of interest.

Induction of new Trustees is given on an individual basis where appropriate.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

# MIDLAND DOCTORS ASSOCIATION UK

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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### *Organisational structure*

The Board of Trustees are responsible for administering the charity.

The finances of the charity are kept under review at Trustees meetings, once every two months.

### *Relationship with related parties*

All donated medical equipment is stored at the premises of M Najib & Sons Limited, a company in which a trustee, Mr AA Najib, is a director. The transaction occurs at arms length, as members of staff at M Najib & Sons Limited donate their charitable time to load the equipment, in order to transport it over to Pakistan.

### **Risk management**

The Trustees are aware of and continue to monitor any significant risks facing the charity and have put policies and controls in place to minimise or mitigate those risks. The Trustees are aware that the risks faced by the charity will evolve with the charity's activities and the trustees will ensure that their risk strategy reflects these changes.

The Trustees acknowledge their responsibilities in relation to the charity's financial statements and accounting records.

### **Funds held as custodian trustee**

The charity holds no funds on behalf of others.

### **Freehold property**

The land purchased in Tandali, District Muzaffarabad, Pakistan was held in the name of Dr J Ahmed, a trustee of the charity, as it was not possible for the land to be purchased in the name of the charitable company directly. The trustees are pleased to report that the process transferring the legal title of this land has now been completed.

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



Dr S Y Itikhar (Chair)

**Trustee**

27 June 2024

# MIDLAND DOCTORS ASSOCIATION UK

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF MIDLAND DOCTORS ASSOCIATION UK

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I report to the trustees on my examination of the financial statements of Midland Doctors Association UK (the charity) for the year ended 31 December 2023.

#### **Responsibilities and basis of report**

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

Having satisfied myself that the financial statements of the charity 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 the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### **Independent examiner's statement**

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements 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 financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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



**Philip Handley FCA**

HSKS Greenhalgh Ltd  
Charlotte House  
Stanier Way  
The Wyvern Business Park  
Derby  
DE21 6BF

Dated: 27 June 2024

# MIDLAND DOCTORS ASSOCIATION UK

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted funds 2023 £	Unrestricted funds 2022 £
<b>Income and endowments from:</b>			
Donations and legacies	3	790,349	743,229
Charitable activities	4	7,427	2,741
Investments	5	1,000	67
Other income	6	-	162
<b>Total income</b>		<b>798,776</b>	<b>746,199</b>
<b>Expenditure on:</b>			
Raising funds	7	39,217	4,158
<u>Charitable activities</u>			
Hospital expenditure	8	457,022	501,349
Village expenditure	8	36,000	16,404
Dubai office costs	8	27,639	15,412
Education expenditure	8	2,714	13,173
Other charitable expenditure	8	93,797	135,178
COVID expenditure	8	-	77
<b>Total charitable expenditure</b>		<b>617,172</b>	<b>681,593</b>
Other expenditure	14	5,809	-
<b>Total expenditure</b>		<b>662,198</b>	<b>685,751</b>
<b>Net income and movement in funds</b>		<b>136,578</b>	<b>60,448</b>
<b>Reconciliation of funds:</b>			
Fund balances at 1 January 2023		3,007,875	2,947,427
<b>Fund balances at 31 December 2023</b>		<b>3,144,453</b>	<b>3,007,875</b>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

# MIDLAND DOCTORS ASSOCIATION UK

## BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Tangible assets	16		2,512,036		2,556,667
<b>Current assets</b>					
Debtors	17	29,989		30,329	
Cash at bank and in hand		627,446		493,051	
		657,435		523,380	
<b>Creditors: amounts falling due within one year</b>	18	(25,018)		(72,172)	
<b>Net current assets</b>			632,417		451,208
<b>Total assets less current liabilities</b>			3,144,453		3,007,875
<b>Net assets excluding pension liability</b>			3,144,453		3,007,875
<b>The funds of the charity</b>					
Unrestricted funds			3,144,453		3,007,875
			3,144,453		3,007,875

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2023.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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 27 June 2024

  
Dr S Y Iftikhar (Chair)  
Trustee

Company registration number 05818995 (England and Wales)

# MIDLAND DOCTORS ASSOCIATION UK

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

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	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	21		202,968		156,971
<b>Investing activities</b>					
Purchase of tangible fixed assets		(69,573)		(158,142)	
Investment income received		1,000		67	
		<u>          </u>		<u>          </u>	
<b>Net cash used in investing activities</b>			(68,573)		(158,075)
<b>Net cash used in financing activities</b>			<u>          </u>		<u>          </u>
			-		-
<b>Net increase/(decrease) in cash and cash equivalents</b>			134,395		(1,104)
Cash and cash equivalents at beginning of year			<u>493,051</u>		<u>494,155</u>
<b>Cash and cash equivalents at end of year</b>			<u><u>627,446</u></u>		<u><u>493,051</u></u>

# MIDLAND DOCTORS ASSOCIATION UK

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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### 1 Accounting policies

#### Charity information

Midland Doctors Association UK is a private company limited by guarantee incorporated in England and Wales. The registered office is 11 Snelston Crescent, Littleover, Derby, DE23 6BL.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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 £.

The main functional currencies of the charity are the Pound Sterling (£) in the United Kingdom, and the Pakistani Rupee (Rs) for expenditure incurred in Pakistan, along with United Arab Emirates Dirham (AED) for expenses incurred within Dubai.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 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.

Restricted funds are subject to specific conditions by donors or grantors 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 Income

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.

Donated goods and services are recognised as income when the charity has control over the item, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably.

# MIDLAND DOCTORS ASSOCIATION UK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 1 Accounting policies

(Continued)

Income from trading activities is recognised at the fair value of the consideration receivable for services provided, and is recognised when the service is delivered.

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

#### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

#### 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:

Freehold land and buildings	2% on cost
Plant and equipment	10% on reducing balance
Fixtures and fittings	10% on reducing balance
Computers	25% on reducing balance
Motor vehicles	10% on 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 the statement of financial activities.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# MIDLAND DOCTORS ASSOCIATION UK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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### 1 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

### 1.9 Taxation

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

### 1.10 Employee benefits

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

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### 1.11 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

## 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# MIDLAND DOCTORS ASSOCIATION UK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

### 3 Income from donations and legacies

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Donations and gifts	759,804	743,229
Donated goods and services	30,545	-
	<u>790,349</u>	<u>743,229</u>
<b>Donations and gifts</b>		
Donations	737,303	721,292
Gift aid refunds	22,501	21,937
	<u>759,804</u>	<u>743,229</u>

#### Donated goods and services

During the year the charitable company received a laser lithotripter, with a value of \$39,000.

### 4 Income from charitable activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
<b>Hospital</b>		
Patient fees	<u>7,427</u>	<u>2,741</u>

### 5 Income from investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Interest receivable	<u>1,000</u>	<u>67</u>

# MIDLAND DOCTORS ASSOCIATION UK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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### 6 Other income

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Other income	-	162
	<u>          </u>	<u>          </u>

### 7 Expenditure on raising funds

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
<b>Fundraising and publicity</b>		
Advertising and fundraising events	35,390	800
Donations administration fees	3,827	3,358
	<u>          </u>	<u>          </u>
	39,217	4,158
	<u>          </u>	<u>          </u>

# MIDLAND DOCTORS ASSOCIATION UK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

8 Charitable activities	Hospital expenditure		Village expenditure		Dubai office costs		Education expenditure		Other charitable expenditure		Total 2023	Total 2022
	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	£	£
Staff costs	162,562	-	-	23,683	-	-	-	-	-	-	186,245	179,343
Depreciation and impairment	99,535	8,860	-	-	-	-	-	-	-	-	108,395	107,969
Light and heat	34,010	-	-	-	-	-	-	-	-	-	34,010	30,402
Telephone	1,349	-	-	-	-	-	-	-	-	-	1,349	1,598
Courier costs	4,851	-	-	250	-	-	-	-	-	-	5,101	3,350
Sundry expenses	2,413	-	-	-	-	-	-	-	-	-	2,413	8,605
Purchase of medicines	100,518	-	-	-	-	-	-	-	-	-	100,518	129,521
Repairs and renewals	24,619	-	-	-	-	-	-	-	-	-	24,619	30,163
Motor & travel	9,535	-	-	-	-	-	-	-	-	-	9,535	14,181
Rent	1,455	-	-	-	-	-	-	-	-	-	1,455	2,419
Advertising	289	-	-	-	-	-	-	5,858	-	-	6,147	9,496
Container shipping	6,163	-	-	-	-	-	-	-	-	-	6,163	6,646
Computer costs	622	-	-	331	-	-	-	-	-	-	953	1,439
Nur Goth village expenses	-	12,368	-	-	-	-	-	-	-	-	12,368	7,399
COVID & charity expenditure	-	-	-	-	-	-	-	21,751	-	-	21,751	88,202
Other charitable expenditure	-	-	-	-	-	-	-	-	-	-	-	24
	<u>447,921</u>	<u>21,228</u>	<u>14,772</u>	<u>24,264</u>	<u>-</u>	<u>-</u>	<u>27,609</u>	<u>521,022</u>	<u>620,757</u>			
Grant funding of activities (see note 9)	-	-	-	-	2,714	-	-	17,486	13,173			
Share of support costs (see note 10)	9,101	-	-	3,375	-	-	42,803	55,279	23,397			
Share of governance costs (see note 10)	-	-	-	-	-	-	23,385	23,385	24,266			
	<u>457,022</u>	<u>36,000</u>	<u>27,639</u>	<u>2,714</u>	<u>93,797</u>	<u>617,172</u>	<u>681,593</u>					

# MIDLAND DOCTORS ASSOCIATION UK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

8 Charitable activities	(Continued)						
	Hospital expenditure	Village expenditure	Dubai office costs	Education expenditure	Other charitable expenditure	COVID expenditure	Total 2022
	£	£	£	£	£	£	£
For the year ended 31 December 2022							
Staff costs	168,099	-	11,244	-	-	-	179,343
Depreciation and impairment	98,964	9,005	-	-	-	-	107,969
Light and heat	30,402	-	-	-	-	-	30,402
Telephone	1,598	-	-	-	-	-	1,598
Courier costs	3,293	-	57	-	-	-	3,350
Sundry expenses	8,605	-	-	-	-	-	8,605
Purchase of medicines	129,521	-	-	-	-	-	129,521
Repairs and renewals	30,163	-	-	-	-	-	30,163
Motor & travel	14,181	-	-	-	-	-	14,181
Rent	2,419	-	-	-	-	-	2,419
Advertising	980	-	185	-	8,331	-	9,496
Container shipping	6,646	-	-	-	-	-	6,646
Computer costs	634	-	805	-	-	-	1,439
Nur Goth village expenses	-	7,399	-	-	-	-	7,399
COVID & charity expenditure	-	-	-	-	88,125	77	88,202
Other charitable expenditure	24	-	-	-	-	-	24
	495,529	16,404	12,291	-	96,456	77	620,757
Grant funding of activities (see note 9)	-	-	-	13,173	-	-	13,173
Share of support costs (see note 10)	5,820	-	3,121	-	14,456	-	23,397
Share of governance costs (see note 10)	-	-	-	-	24,266	-	24,266
	501,349	16,404	15,412	13,173	135,178	77	681,593

MIDLAND DOCTORS ASSOCIATION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2023

8	Charitable activities					(Continued)
	Analysis by fund					
	Unrestricted funds	501,349	16,404	15,412	13,173	135,178
						77
						681,593

# MIDLAND DOCTORS ASSOCIATION UK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

### 9 Grants payable

	Village expenditure 2023 £	Education expenditure 2023 £	Education expenditure 2022 £
Grants to institutions:			
Pakistan Medical Association	14,772	-	-
Other	-	-	1,921
Grants to individuals	-	2,714	11,252
	<u>14,772</u>	<u>2,714</u>	<u>13,173</u>

### 10 Support costs allocated to activities

	2023 £	2022 £
Rent	2,923	2,692
Insurance	370	307
Legal and professional fees	9,083	5,941
Bank charges	2,607	2,701
Exchange rate (gain)/loss	40,261	11,756
Governance costs	23,420	24,266
	<u>78,664</u>	<u>47,663</u>
<b>Analysed between:</b>		
Hospital expenditure	9,101	5,820
Dubai office costs	3,375	3,121
Other charitable expenditure	66,188	38,722
	<u>78,664</u>	<u>47,663</u>

### 11 Net movement in funds

	2023 £	2022 £
The net movement in funds is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	108,395	107,969
Loss on disposal of tangible fixed assets	5,809	-
	<u>114,204</u>	<u>107,969</u>

# MIDLAND DOCTORS ASSOCIATION UK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### 12 Trustees

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

##### Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2023 nor for the year ended 31 December 2022.

The trustees have continued to incur expenses, especially travel costs, in the performance of their duties. Such expenditure is borne by the trustees personally, has not been quantified, and as no reimbursement has been sought by them, is considered to have been waived.

#### 13 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Medical staff	52	55
Maintenance staff	6	14
Security	2	2
Administrative staff	7	11
Other staff	7	14
Total	74	96

##### Employment costs

	2023 £	2022 £
Wages and salaries	186,245	179,343

There were no employees whose annual remuneration was more than £60,000.

#### 14 Other

	Unrestricted funds	Total
	2023	£ 2022
Net loss on disposal of tangible fixed assets	5,809	-
	5,809	-

#### 15 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

# MIDLAND DOCTORS ASSOCIATION UK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### 16 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
<b>Cost</b>						
At 1 January 2023	2,555,247	524,013	190,588	48,385	16,587	3,334,820
Additions	3,520	60,639	5,157	257	-	69,573
Disposals	(7,261)	-	-	-	-	(7,261)
At 31 December 2023	2,551,506	584,652	195,745	48,642	16,587	3,397,132
<b>Depreciation and impairment</b>						
At 1 January 2023	482,160	191,988	63,839	32,630	7,536	778,153
Depreciation charged in the year	51,030	39,266	13,191	4,003	905	108,395
Eliminated in respect of disposals	(1,452)	-	-	-	-	(1,452)
At 31 December 2023	531,738	231,254	77,030	36,633	8,441	885,096
<b>Carrying amount</b>						
At 31 December 2023	2,019,768	353,398	118,715	12,009	8,146	2,512,036
At 31 December 2022	2,073,087	332,025	126,749	15,755	9,051	2,556,667

During 2006 land was purchased in Tendali, District Muzaffarabad, Pakistan by the charity in order to construct a hospital. Whilst the charity paid for this land, it has previously been held in the name of one of the trustees (Dr Javed Ahmed) on behalf of the charity, as it was not possible for the land to be purchased in the name of the charity directly. A statutory declaration was made on 7 September 2007 confirming that the land is held on trust for the charity until such time as it is possible for it to be transferred upon attainment of the appropriate international status of the charity. During the year this matter has now been resolved, with the title officially transferred to the charitable company. The cost and net book value of the hospital project, included within freehold property, amounts to £2,108,506 (2022: £2,104,996) and £1,674,228 (2022: £1,712,878) respectively.

The Nur Goth Village project in Sindh Province, Pakistan, is a joint collaboration with Pakistan Medical Association. Although the entire project was funded by the Midland Doctors Association UK, for administrative and logistical purposes, the 8 acre site and the 100 dwellings constructed thereon, together with the infrastructure, are jointly owned between the Midland Doctors Association UK and the Pakistan Medical Association, as per an agreement dated 25th January 2012. However, all running costs of the village after completion are paid for and administered by the Pakistan Medical Association, with Midland Doctors Association UK making contributions for such expenditure. The cost and net book value of the Nur Goth Village is £443,000 (2022: £450,261) and £345,540 (2022: £360,209) respectively.

22 dwellings in Nur Goth Village are currently occupied in perpetuity, rent free, by designated families and their descendants. 38 dwellings are earmarked to be re-purposed for educational or medical use. The remaining 40 dwellings are currently unoccupied and will require minor renovation works to enable future occupation.

There is no right to either dispose of the dwelling or pass it to another unconnected family.

# MIDLAND DOCTORS ASSOCIATION UK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

### 17 Debtors

	2023 £	2022 £
<b>Amounts falling due within one year:</b>		
Trade debtors	-	1
Other debtors	26,584	26,313
Prepayments and accrued income	3,405	4,015
	<u>29,989</u>	<u>30,329</u>

### 18 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	-	20,000
Accruals and deferred income	25,018	52,172
	<u>25,018</u>	<u>72,172</u>

### 19 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2023 £	Incoming resources £	Resources expended £	At 31 December 2023 £
General funds	<u>3,007,875</u>	<u>798,776</u>	<u>(662,198)</u>	<u>3,144,453</u>
<b>Previous year:</b>	<b>At 1 January 2022 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>At 31 December 2022 £</b>
General funds	<u>2,947,427</u>	<u>746,199</u>	<u>(685,751)</u>	<u>3,007,875</u>

### 20 Related party transactions

# MIDLAND DOCTORS ASSOCIATION UK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 20 Related party transactions

(Continued)

##### Donations made by trustees and related parties

The following donations were received without conditions from trustees or other related parties:

Mr M Altaf, a trustee of the charity, donated £1,200 (2022: £1,300).

Mr S Hussain, a trustee of the charity, donated £200 (2022: £460).

Dr S Y Iftikhar, a trustee of the charity, donated £2,995 (2022: £2,415).

Dr K Latief, a trustee of the charity, donated £600 (2022: £1,554).

Mr A A Najib, a trustee of the charity, and his wider family donated £120 (2022: £2,273).

Dr Farhan Rashid, a trustee of the charity, donated £480 (2022: £Nil).

Dr Z Sheikh, a trustee of the charity, donated £600 (2022: £4,750).

Rahim Ullah Amin, a trustee of the charity, donated £Nil (2022: £400).

M. Najib & Sons Limited, a company in which Mr A A Najib is a director and a shareholder, donated £33,800 (2022: £35,050).

Ifti's Medical Services Limited, a company in which Mr S Y Iftikhar is a director and a shareholder, donated £330 (2022: £360).

##### Other transactions with related parties

During the year, The Accounting House, a business owned by Ms T Kent-Chapman provided bookkeeping services to the charity on an arm's length basis. These services amounted to £28,500 (2022: £19,524).

In 2021, the charity advanced 2,000,000 Pakistani Rupees (£9,189 at the prevailing spot rate) to the Chief Executive Officer of the Midland Doctors Medical Institute (Mr B Hussain). At the year-end the balance was 800,000.00 Pakistani Rupees (2022: 1,200,000 Pakistani Rupees), which at the 31 December 2023 rate is: £2,254 (2022: £4,380), and is included within other debtors. At the year-end, there was an unrealised loss on foreign exchange of £5,097 (2022: unrealised loss of £1,134). The loan is unsecured, interest-free and is being repaid in equal instalments over 60 months. Dr S Y Iftikhar, a trustee of the charity, is the guarantor of this loan and will repay the loan to the charity in the event of a default by Mr B Hussain.

# MIDLAND DOCTORS ASSOCIATION UK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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<b>21</b>	<b>Cash generated from operations</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	Surplus for the year	136,578	60,448
	Adjustments for:		
	Investment income recognised in statement of financial activities	(1,000)	(67)
	Loss on disposal of tangible fixed assets	5,809	-
	Depreciation and impairment of tangible fixed assets	108,395	107,969
	Movements in working capital:		
	Decrease/(increase) in debtors	340	(16,358)
	(Decrease)/increase in creditors	(47,154)	4,979
	<b>Cash generated from operations</b>	<b>202,968</b>	<b>156,971</b>

## **22 Analysis of changes in net funds**

The charity had no material debt during the year.