

Medlife UK (CIO)

Annual Report and Accounts

Year ended 31 August 2020

Charity Registration Number
1176904

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Reference and administration details of the charity, its trustees and advisers

Trustees	Anhelyv Vidal Ascencios Jennifer Clay Jose Carols Benavides Hinojosa Juan Camilo Vanegas Martha Patricia Chicaiza Macas Dr Nicolas Gerard Ellis Thomas Adam Stephens
Principal address	66 Lincoln's Inn Fields London WC2A 3LH
Charity registration number	1176904
Accountants	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Charities Aid Foundation Bank 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
Solicitors	Farrer & Co 65-66 Lincoln's Inn Fields London WC2A 3LH

Report of the trustees Year to 31 August 2020

The trustees present their report together with the accounts of Medlife UK (CIO) (the “charity”) for the year ended 31 August 2020. The comparative figures presented in this report are for the year to 31 August 2019.

The accounts have been prepared in accordance with the accounting policies set out on pages 8 and 9 and comply with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The principles set out in 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 United Kingdom and Republic of Ireland (FRS 102) have been followed in the preparation of this report and accounts.

Introduction

The charity is governed by a constitution dated 30 January 2018 and is registered with the Charity Commission, Charity Registration No. 1176904.

Principal activities and aims

Medlife UK provides funding to projects in Peru, Ecuador, Tanzania and Nicaragua through their network of Chapters in the UK. Chapters are school clubs created at school and universities in the UK. The projects are focused on improving living conditions for impoverished communities that lack access to healthcare, sanitation and proper housing. Medlife envisions to partner with these communities to develop long term relationships that will provide aid to its members in any way possible.

Governance, structure and management

Governance

Trustees are appointed by the members of the Board of Medlife USA. They are people who have worked or are currently working for Medlife USA. Medlife USA is the parent entity of Medlife UK and will provide support until the charity is financially independent. The Trustees are currently chosen for a three year period and may be eligible for reappointment at the end of the period. A charity trustee may also be automatically appointed during the period they hold the presidency of the Student Advisory Board of Medlife USA.

The names of the trustees who served during the period are set out as part of the reference and administration details on page 1 of this report and accounts. Except where stated, all trustees were appointed on the date of incorporation and served throughout the period.

Trustees’ responsibilities statement

The trustees are responsible for preparing the trustees’ report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial period which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these accounts, the trustees are required to:

Governance, structure and management (continued)

Trustees' responsibilities statement (continued)

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the Constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Structure and management reporting

The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet regularly to review developments with regard to the charity or its activities and make any important decisions. When necessary, the trustees seek advice and support from the charity's professional advisers including solicitors and accountants.

Key management personnel

The trustees consider that they comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

The trustees receive no remuneration in respect of their duties.

Risk management

Medlife UK has the risk of damage reputation as well as transparency when managing fundraising activities. Damage of reputation can be caused by Chapters in the UK behaving unethically and using Medlife UK's name. This risk is mitigated through a rigorous training requirement to all Chapters. By doing so they must understand their limits, what is expected of them, and when they can or cannot promote Medlife in daily activities. In case there is reason that a Chapter is using Medlife's name unethically, the President of the Chapter may be removed.

Governance, structure and management (continued)

Risk management (continued)

A second possible risk is transparency in fundraising activities where Chapter members or anyone employed by Medlife UK may dispose inappropriately of any funds. In order to mitigate this, any fundraising activity should always be coordinated with Medlife HQ. This way, it is easier for a Chapter Manager to advise on robust ways to prevent/avoid these risks in any fundraising activity. They also hold a record of a cash balance in every activity and it is mandatory to be shared with their Chapter Manager.

Activities and performance

Given the onset of the coronavirus pandemic during the 2019/20 financial year, there has been minimal activity at the charity, as shown in the statement of financial activities.

Future plans

The charity aims to establish operations in the UK in due course.

Financial report for the year

Income and expenditure

During the year ended 31 August 2020 total income amounted to £3,911 compared to £46,999 in 2019. In the same period total expenditure amounted to £1,323 compared to £36,741 in 2019, resulting in net income of £2,588 (2019: net income of £10,258).

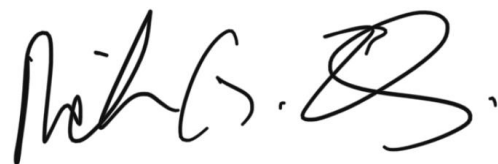
Reserves policy

Currently, Medlife UK has no formal policy for reserves since most of its activities include fundraising activities. The student travel portion for service trips are currently being managed by the parent company, Medlife USA. All fundraising activities have a determined project or goal towards which they must be allocated and the charity will seek to establish a formal reserves policy as it grows and becomes financially independent.

Financial position

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The charity has thus far been funded by its US parent, Medlife USA and the trustees are of the opinion that the charity will have sufficient resources to draw on from its parent to meet its liabilities as they fall due and is working to set up its own UK operations.

Signed on behalf of the trustees

A handwritten signature in black ink, appearing to read 'Nick Ellis', with a stylized flourish at the end.

Nick Ellis, Trustee

Approved by the trustees on 1 February 2022

Statement of financial activities Year to 31 August 2020

	Notes	Unrestricted funds	
		2020 £	2019 £
Income from:			
Donations	1	3,911	46,999
Total income		3,911	46,999
Expenditure on:			
Charitable activities	2	1,323	36,741
Total expenditure		1,323	36,741
Net expenditure and net movement in funds	3	2,588	10,258
Reconciliation of funds:			
Fund balances brought forward		(1,380)	(11,638)
Fund balances carried forward		1,208	(1,380)

All recognised gains and losses for the period are included in the statement of financial activities.

Balance sheet 31 August 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Current assets					
Debtors	6	—		46,749	
Cash at bank		<u>4,474</u>		<u>1,000</u>	
		4,474		47,749	
Current liabilities					
Creditors: amounts falling due within one year	7	<u>(3,266)</u>		<u>(49,129)</u>	
Net current liabilities			1,208		(1,380)
Total net liabilities			<u>1,208</u>		<u>(1,380)</u>
Represented by:					
The funds of the charity					
Unrestricted funds			1,208		(1,380)
			<u>1,208</u>		<u>(1,380)</u>

Approved by the trustees and signed on their behalf by:



Nick Ellis, Trustee

Approved by the trustees on 1 February 2022

Principal accounting policies Year to 31 August 2020

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below:

Basis of preparation

These accounts have been prepared for the year ended 31 August 2020 with the comparative figures being for year to 31 August 2019.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees to make significant judgements and estimates. There are no items in the accounts where key judgements and estimates have been made.

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The charity has thus far been funded by its US parent, Medlife USA and the trustees are of the opinion that the charity will have sufficient resources to draw on from its parent to meet its liabilities as they fall due and is working to set up its own UK operations.

Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Principal accounting policies Year to 31 August 2020

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment 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.

All expenditure is accounted for on an accruals basis and is stated inclusive of irrecoverable VAT. Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support including in the form of financial procedures. Governance costs comprise the costs involving the public accountability of the charity and costs in respect to its compliance with regulation and good practice.

Support and governance costs are apportioned using percentages based on the direct expenditure incurred on each of the activities of the charity.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund structure

Unrestricted funds comprise those monies which may be used towards meeting the charitable objectives of the charity and which may be applied at the discretion of the trustees.

Foreign currencies

Assets and liabilities in foreign currencies are translated into Sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the net movement in funds.

Notes to the accounts Year to 31 August 2020

1 Income from: Donations

	Unrestricted funds	
	2020 £	2019 £
PayPal donations for Chapters	3,911	46,999
Total funds	3,911	46,999

2 Expenditure on: charitable activities

	Unrestricted funds	
	2020 £	2019 £
Costs of running Chapters	723	25,931
Allocated support and governance costs		
. Professional fees	—	8,410
. Accountancy fees	600	2,400
Total funds	1,323	36,741

3 Net income (expenditure) for the period

This is stated after charging:

	2020 £	2019 £
Accountant's remuneration (including VAT)		
. Other services: accountancy services	600	2,400
Total funds	600	2,400

4 Staff costs and remuneration of key management personnel

The charity does not employ any staff.

The trustees consider that they alone comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. They receive no remuneration or reimbursement of expenses in connection with their duties as trustees.

5 Taxation

Medlife UK (CIO) is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

Notes to the accounts Year to 31 August 2020

6 Debtors

	2020 £	2019 £
Amounts due from Medlife USA	—	46,749
	—	46,749

7 Creditors

	2020 £	2019 £
Amounts due to Medlife USA	—	46,729
Other creditors	2,666	—
Accruals	600	2,400
	3,266	49,129

8 Transactions with related parties

All income and expenditure has been funded by the parent entity, Medlife USA, since incorporation on 30 January 2018. The intention was for these amounts to be covered by the UK entity but as operations have not yet taken off, Medlife USA is not expecting reimbursement.