

Mission Without Borders

Annual Report and Financial Statements

31 December 2020

Company Limited by Guarantee

Company Registration Number
01065601 (England and Wales)

Charity Registration Number
270659

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Reference and administrative information

Trustees	M Thomas (Chairman) A Houghton (resigned 26 May 2020) P Broad (appointed 26 May 2020) D Brunner (resigned 26 May 2020) M Waldy S Young (Vice-Chairman & Treasurer)
Board of advisors	N Salisbury I Stewartson
National director	J Chamberlain
Company secretary	M Waldy
Registered office and operation address	175 Tower Bridge Road London SE1 2AG
Bankers	National Westminster Bank plc 1 Princes Street London EC2R 8BP Scottish Widows 67 Morrison Street Edinburgh EH3 8YJ
Auditor	Buzzacott LLP 130 Wood Street London EC2V DL
Solicitors	Wellers Law Group 65 Leadenhall Street London EC3A 2AD

Chairman's Statement

***“Praise the Lord. Give thanks to the Lord, for he is good. His love endures forever.”
Psalm 106 v1***

In an extraordinary and very challenging year for us all, with the COVID-19 pandemic impacting on each of the countries we have a presence in, these verses are a real encouragement, reflecting so much of what we can be thankful for.

We have continued to support many thousands of children, families and elderly people in Eastern Europe both practically and spiritually – nearly 12,000 children and families have been sponsored in the last year. Responding to the impact of COVID-19 on families in crisis, 41,800 Operation Christmas Love food parcels were distributed across the six countries we work in – more than ever before.

Working within national and local COVID-19 restrictions did have an impact on the delivery of the Mission's regular activities – Afterschool Clubs, Soup kitchens, Street Mercy meals, Summer Camps and one day children's camps – however much of this work was still able to take place along with the distribution of Bibles and Christian literature and our Bible Correspondence Club.

We give thanks for the dedication and care of all the field staff and volunteers who have worked so tirelessly in very difficult circumstances and to the Lord for the many beneficiaries and Mission staff affected by COVID-19, who have recovered.

Can I also express my thanks to the ongoing loyalty, commitment and generosity of our donors in what has been a very difficult year. Donations from supporters, churches and charitable trusts increased by 19% on last year and we were also grateful to receive a substantial legacy gift from a kind individual. Even more encouraging was our Christmas Campaign, which received significant media coverage, and where we were delighted to welcome nearly 400 new donors as well as new child and family sponsors – the highest number for several years.

The work of Mission Without Borders is extraordinary and it is inspiring to hear the stories of lives transformed through the work of the charity. As we look to the future, my hope is that we capture the hearts and minds of a growing number of churches and people in the UK, who will join us in praying, giving and advocating for our ministry. There are exciting opportunities to develop work in new areas of need – Eastern Ukraine, Bosnia & Herzegovina, Bulgaria and Albania. All at the Mission will continue to work tirelessly to enable those who need it most to lift themselves out of poverty, always sharing the hope that is found in Jesus Christ. Thank you for your partnership in this work.

M Thomas

The trustees, who are also directors for the purposes of the Companies Act, have pleasure in presenting their report and the financial statements of Mission Without Borders for the year ended 31 December 2020.

This report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes a directors' report for the purposes of company legislation.

The financial statements have been prepared in accordance with the accounting policies set out on pages 28 to 32 and comply with the charitable company's memorandum and articles of association, applicable laws 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 United Kingdom and Republic of Ireland (FRS 102).

Purpose of the charity

The vision of Mission Without Borders is of ***"Lives transformed across generations with hope for the future."***

We act as a catalyst for change in people's lives, showing compassion and empathy to all people regardless of their ethnic background or religious beliefs, and helping them plan their own programme of support that recognises their dignity and helps build capacity for self-sufficiency.

Mission Statement

Mission Without Borders is an international network of Christians who journey with the poor and marginalized, bringing practical and spiritual support with hope of a better future, enabling and encouraging people to lift themselves out of poverty, always sharing the hope that is found in Jesus Christ.

Values and behaviours

Christian – we are Christian and live out our Christian faith boldly and with humility. We serve Jesus Christ in all we do and share with others the hope and joy we have in Jesus Christ.

Committed to the Poor – we seek to relieve the suffering of the poor and marginalized and to encourage their transformation out of poverty.

Church strengthening – we work with and through local churches helping them build capacity for their ministry/involvement in the community.

Respect - we value people and respect those we serve, regardless of age, gender, race, faith or social status.

Integrity – we act with integrity, accountability and transparency.

Partnership – we seek and value partnership between beneficiaries, communities, churches, authorities and donors. We seek to listen continuously to the communities with whom we work and to each other to enable our work to be relevant and beneficial to all.

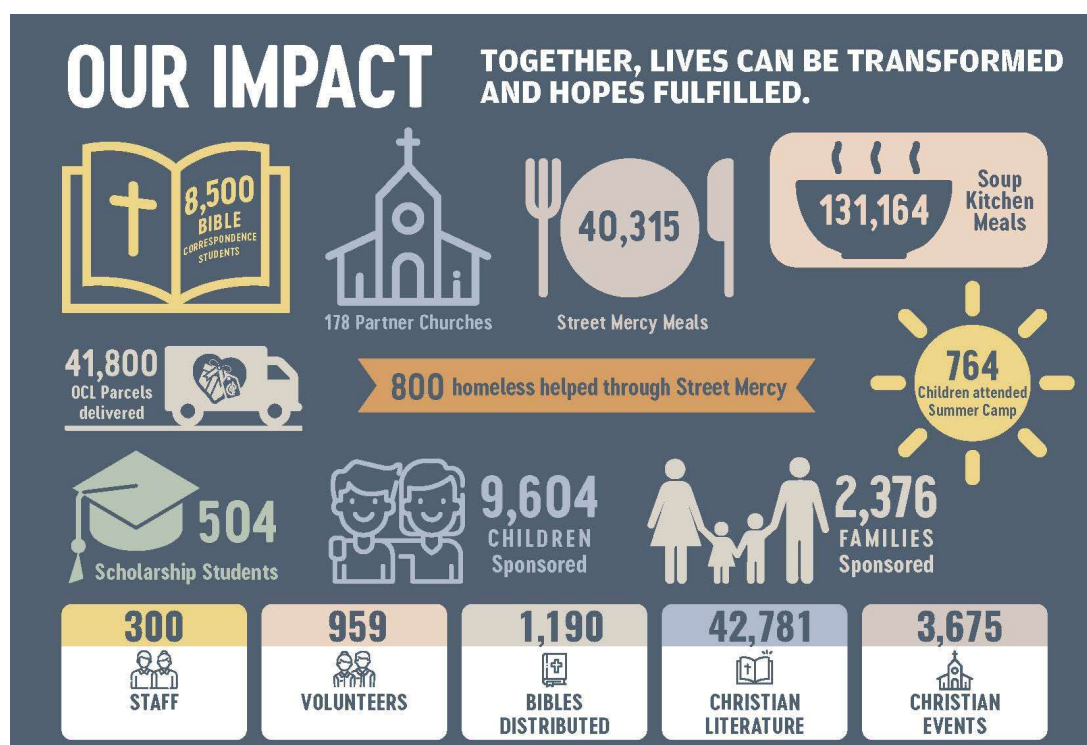
Stewardship – we seek to be good stewards of the resources God has provided.

Geographical reach

Mission Without Borders is an independently registered charity that works with a global network of MWB offices operating in eighteen countries across the world. The UK charity is one of twelve fundraising affiliate offices which raises funds to support our work carried out in Albania, Bosnia-Herzegovina, Bulgaria, Moldova, Romania and Ukraine. We exist to reach people for Christ and to provide sustainable solutions to poverty in these countries and income generated by the UK office is a contribution to the overall operations of the global Mission. As MWB works under a global remit, this report refers to the overall programme activities of the Mission and those specific to the UK.

REVIEW OF ACTIVITIES

2020 Impact of Mission Without Borders Activities In Eastern Europe



Supporting families

Enabling families in desperate poverty to thrive and not just survive, helping them build lives of greater independence and hope for the future is a crucial element of our work. We strive to serve people over a number of years, seeking to build strong relationships with all members of the family. Our aim is to provide them with material needs along with appropriate training, spiritual and emotional counselling, enabling them to become self-sufficient and break the cycle of poverty.

As the family journeys with the Mission we work with them on identifying the equipment and training they need to help them become more self-sufficient, for example livestock, seeds, agricultural machinery or construction tools. Through schemes such as this, the Mission aims to keep families together, reduce economic migration and improve the lives of both the family and the community around them.

REVIEW OF ACTIVITIES (continued)

In 2020, 2376 vulnerable families were enrolled onto our global family sponsorship programme (an increase of 72 families compared to 2019), with 130 donors in the UK contributing to supporting a number of these families.

Despite the restrictions that COVID-19 enforced on our work, Mission Without Borders was able to expand its family sponsorship work throughout Eastern Europe as well as providing assistance to more than 18,600 families in immediate need through its “Families in Crisis” programme.

MWB has been determined to do more for the Ukraine which is one of the poorest countries in Europe with a GDP of just 9% of the UK's. It has suffered badly through the pandemic as well as facing an ongoing conflict in the eastern region of the country which is now in its sixth year. 43% of Ukraine's population cannot afford basic household goods while in June 2020 the Norwegian Refugee Council estimated that over ¾ of families in the eastern region were struggling to make ends meet and going hungry.

Lyudmila's Story

Lyudmila began working for MWB in 1999 as a medical worker responsible for the Mother Care project that supported pregnant women with essential supplies they needed when having a new baby. She then became more widely involved helping families enrolled on MWB's family sponsorship programme. A mother herself, she understands the challenges of family life and is skilled at supporting struggling families – whether it is poverty, challenging relationships, or battles with anxiety or depression. Even the hard times in her life have helped shape her life into a testimony of God's faithfulness, presence and support. Her nurse training has been especially useful when she travels to distant villages where healthcare can be difficult to access and she meets families like the Leonchiks.



Lyudmila (left) with the Leonchiks

The Leonchiks are a large family living in a one-roomed house in poor repair, without a bathroom and reliant on an outside toilet. They have a small plot of land where they grow potatoes, beetroot and other vegetables, and keep poultry and a pig. In the summer they gather blueberries and mushrooms to sell.



Stanislav and Daryna outside their toilet

Lyudmila said, *“With this family, as well as with many other families, I feel a kind of soul unity. I understand their joys and sorrows and they understand mine. We laugh, cry, and pray together.”*

REVIEW OF ACTIVITIES (continued)

Lyudmila's Story (continued)

After talking to Petro and his wife, Oksana, Lyudmila spends some time with 12-year-old Daryna, who has been struggling with maths at school and goes over some exercises with her. To the Leonchiks, it feels as though an old friend has dropped by, rather than a person working for an organisation.

Alongside educational and emotional support and planning for future, we provide our beneficiaries with warm clothes, footwear and firewood – items that are particularly valued in bitterly cold winters where the temperature can drop to below -20 degrees Centigrade.

Hope for Children

Serving some of the most vulnerable children in Eastern Europe and seeking to bring the hope of life in all its fullness to them as well educational, material and emotional care has seen the Mission directly involved with supporting 9,604 children in 2020 through our global sponsorship programme. Supporters in UK provided sponsorships for 166 children in Romania, Moldova and the Ukraine.

4,060 of these children were in institutional care, and a further 5,544 were living within communities. MWB has adapted its work throughout the year to meet concerns that have surfaced in the face of the coronavirus pandemic and the deinstitutionalisation of care that has taken place in Moldova and Ukraine. The result of this is that, as of January 31, 2021, we have completely withdrawn from children's homes in Moldova and have ceased our children's work in institutions across the country, with the goal of working more closely with children in the community.

Doris's Story



Doris

Doris, a 12-year old from Romania, is separated from her parents. She is one of the 'left-behind' children in Romania – a country where 96,000 children are left in the care of relatives while at least one parent works abroad, and almost 20,000 children have both parents working abroad¹. The pandemic has been challenging for Doris with her mother going to Germany to find work. In response, the Mission enrolled her onto the child sponsorship programme.

Doris loves helping people (and has even volunteered to help at one of MWB's soup kitchens) but doesn't find it easy to accept help in return.

¹ Balkan Insight, 'Romanian migrant workers leave 96,000 children behind', 13 March 2018

REVIEW OF ACTIVITIES (continued)

Doris's Story (continued)

She also finds it hard to express her feelings and tries to come across as a very tough person, while, in her heart, she longs for her parents' company, care, direction, and love. Paula, the local MWB staff member, is like a mother figure to her, and her daughter Debby is the same age as Doris and likes spending time with her and helping her with her maths homework.

Despite her reluctance to receive help, Doris does enjoy support from the sponsorship programme – and she finds it amazing that there are people in a faraway land who think of her and take time to write to her. Just as Proverbs 25:25 says, *"Like cold water to a weary soul is good news from a distant land"*. In the same way that her parents care for her, even if from a distance, her sponsors – who she's never even met – are interested in her well-being.

Over the years, Doris has received cards, letters, photos, stickers and puzzles from her sponsors and she's always happy to write back. She also knows that through their generosity she has been able to attend summer camps, to take part in the Soup Kitchen in the village, to receive support from the MWB Coordinator as well as Christmas presents and food and hygiene parcels. This support helps her to know that she is not alone.

Left-behind children are vulnerable, often lacking the affection and sense of belonging they need in order to thrive. Thanks to Mission Without Borders' generous sponsors, children like Doris can be welcomed into the community and find mentors, support and understanding – and know they're not alone in the world after all.

Changing lives through education and scholarships

We believe that educating the young generation and enabling it to face the future confident, well trained and with promising career prospects is vital in breaking the cycle of poverty. Our vision is to instill in young people positive life attitudes of a better, brighter future both materially and spiritually.

Many of those we help live in homes with one or two rooms where finding space to study is extremely challenging. MWB offers After-School Clubs that provide a safe and secure place for young people to study in a supportive environment. Once young people graduate from school and leave the child sponsorship programme, we believe in doing what we can to help them in their future, offering a variety of vocational and academic scholarships. **In 2020, 410 young people benefitted from our After-School Clubs, while 504 young people were supported through educational scholarships in vocational or academic courses.**

Valeria's story

Valeria, for example, is in her third year of studying medicine thanks to a scholarship from Mission Without Borders – and in 2020 she volunteered at a newly opened Covid-19 centre in Chisinau, Moldova. She applied online on her university website and was contacted and invited to start volunteering in April. *"I'm not afraid" she says, "because I'm going to be a Doctor in future, and I know that not only easy times await me. This is the reason I'm studying medicine."*

REVIEW OF ACTIVITIES (continued)

Valeria's story (continued)



Valeria

She volunteers every day from 8am to 8pm and enjoys being able to help and be useful for her country and the healthcare system.

Valeria comes from a family where she was one of six children and her parents struggled to get by on her father's low wages. Her dream is to become an excellent doctor who is able to help children from very poor families, like her, who cannot afford medical care.

She said, *"I want to make a change in this world through my own example, to serve God and thank Him for all that He has done in my life. The fact that I come from a family living on a very low income – this motivates me even more to dedicate my life to save other lives."*

Operation Christmas Love

Every Christmas, for the past 30 years, Mission Without Borders has distributed essential food parcels to people living below the breadline in Albania, Bosnia-Herzegovina, Bulgaria, Moldova, Romania and the Ukraine. Christmas 2020 was our biggest fundraising campaign ever as we wanted to distribute 41,000 parcels – 40 % more than last year. The increase was in response to the COVID-19 crisis with many people losing livelihoods and unemployed, resulting in no income coming into the family and a daily struggle to find food and survive.

Our Operation Christmas Love parcels contain items such as oil, flour, rice, tins of food, chocolate and treats, as well as Christian literature about the meaning of Christmas. All goods are locally sourced because it is sustainable, cost-effective and good for the local economies of the regions in which the Mission works.

REVIEW OF ACTIVITIES (continued)

Valentina's Story (continued)

Valentina, one of our staff workers who distributed OCL parcels over Christmas says, *"Together, we are part of an amazing ministry. We can bring our input and God will surely use it for the best. Small steps are the key. We should never give up in trying to make the world around us better."*

When she visited one of the families, Veronica, a mother who fled domestic abuse with her children, told us, *"MWB has been a huge support to us. I was living on the breadline. I really have no idea how I would cope without MWB's help. Maybe you think that OCL is just a box with some food, but for me it's just so special that there are good people in this world who care about us,"*



Veronica with her children

Veronica has struggled during the pandemic because she has not been able to find regular employment and has taken to asking her neighbours if they have any small jobs she can do for them.

"I hope that someday I'll have more opportunities to help people who are in a lot of need," Veronica said. *"I know how it feels to be alone facing difficulties and how significant it is when someone offers you a helping hand. I want to be a blessing to others, too."*

Veronica's family is just one of many families that the Mission was able to help in 2020. Generous supporters in the UK contributed more than £87,000 towards our Operation Christmas Love Appeal, more than doubling the funds raised compared to 2019. Thanks to the generous help received this year, 41,800 parcels were distributed throughout our field countries to 35,302 families, a significant increase from the 29,718 parcels distributed in 2019.

Faith in action

The Christian roots of Mission Without Borders remain central to our identity and form the basis of all the work we undertake. We are enormously thankful for the growing partnerships we have with local churches in Eastern Europe and the many volunteers within them that have assisted us as we reach out to those in need. Along with the material and emotional care provided to our beneficiaries, the Mission continues to offer prayer and opportunities to hear the Gospel through Christian Input events or through our Bible Correspondence Course.

REVIEW OF ACTIVITIES (continued)

Faith in action (continued)

National and local restrictions and the greater need for care during 2020 had an impact on church gatherings and on our ability to distribute Christian Literature which saw a fall from 70,194 pieces in 2019 to 42,781 in 2020. However, MWB staff were still able to run 3,675 Christian events and support 8,500 students who signed up to our Bible Correspondence Course

Naomi (14) lives in a village in Romania where her parents work hard to make ends meet. Naomi has taken on a lot of responsibility in the household since she was young, especially as her three brothers have severe learning difficulties. In recent years she has struggled engaging with her village church, where there are no facilities for people her age.

Through the Bible Correspondence Course (BCC), Naomi is coming to a deeper understanding of the Bible and of the love and hope found in Jesus. She has been writing back and forth to Ana – MWB's BCC coordinator. Like many of the children who are involved in the course, she loves the study materials and receiving letters from Ana – the only post she gets. As well as learning more about the Bible, she is also able to share her hopes and worries and ask any questions she has.



Naomi

In a recent letter to Ana, Naomi wrote, *"Your heartfelt message of encouragement moved me deeply. I love studying the Bible courses you send me. God is calling me to salvation through you. My fear is that in the future there'll be hard times, but I want to be on God's path. I trust God."*

BCC Coordinator Ana told us, *"Getting to know Naomi was an absolute joy. I am praying that God will use her and the other children I write to in a mighty way for His glory and for the advancement of His Kingdom. It's been an honour serving children all over the country through the BCC courses over the years. Thank you to MWB supporters for all for the eternal investment in the lives of young people."*

Emergency Response

Mission Without Border's places considerable focus on the long-term care and development of those living in extreme poverty in Eastern Europe, but is it also committed to help those in crisis and in need of immediate care. 2020 began with the Mission continuing help people affected by the 2019 earthquake in Albania, and, as the coronavirus pandemic spread across the world, it took steps to protect those under its care.

REVIEW OF ACTIVITIES (continued)

Emergency Response (continued)

In March 2020, MWB beneficiaries, volunteers and staff in Bulgaria joined together in an effort to sew masks to protect children and families from the virus. The masks were made from cloth donated to the Mission and 500 were quickly made in the recently renovated Gotse Delchev Social centre with help from gifted sewing machines used on MWB's vocational training courses. As there were many people willing to participate, the work in the premises was organised in small groups to observe government requirements around social distancing. The masks were then distributed among the homeless in the Street Mercy project as well as families under MWB's care.

In Romania, a self-sufficiency project for the Tamasin family included a sewing machine that enabled them to sew 250 masks for local bus-drivers at a time when supply of masks was in short supply.

The Mission also aided 18,600 families during 2020 through its 'Families in Crisis' programme, supplying food and material needs, and across our field countries, Mission staff supplied 131,164 meals cooked and delivered from its soup kitchens. As the restrictions grew more limiting, changes were made to the distribution of meals, which included delivering packages of food products instead of warm meals.



Mr Tamasin sewing masks

A Moldovan MWB staff member, Boris Garconita said, *"The parents of the children who go to our Soup Kitchen in Cantemir are very thankful that we're continuing to support them throughout this pandemic. As they're unable to work because of the coronavirus, and the children are at home all day, this food means so much to them."*

Raising Funds and Awareness

Standing with children and families facing desperate poverty, whose lives have also been impacted by the pandemic, has been our challenge in 2020. Thanks to the wonderful kindness and support of dedicated donors, sponsors, charitable trusts and churches, we saw a 19% increase in income from these areas. The faithfulness and commitment of people has been humbling and we give thanks to God who has done immeasurably more than we could have asked or imagined in the last year.

We stepped up media activity and the work of Mission Without Borders started to be seen in the Spring and included interviews with Stephen Young, our International CEO, on Trinity Broadcasting Network (TBN) and United Christian Broadcasting (UCB). We were also delighted with coverage around our 60th Anniversary Year and our work in Eastern Europe throughout October on Premier Christian Radio with on air interviews with Programme Managers and staff in the field which brought our work to life.

REVIEW OF ACTIVITIES (continued)

Raising Funds and Awareness (continued)

As part of our strategy to engage new supporters and churches, we planned to attend the Keswick Convention in July, however the pandemic did result in its cancellation along with various other events organised including a fundraising walk along the Pilgrims' Way in September. However, our Operation Christmas Love Appeal for 41,000 boxes for families in Eastern Europe was very successful in recruiting nearly 400 new donors and sponsors.

We also received legacy gifts this year including a very generous bequest from a long-standing donor which resulted in total legacy income of £114,527. Gifts such as these ensure our work can continue into the future and enable us to develop programmes in new areas of need with more confidence.

Support from individuals through child and family sponsorships along with regular givers held up well with a 12% increase in new sponsorships. In the next year we plan to review this area firstly to provide more information for those who stay with us and secondly to engage and recruit new sponsors.

Unfortunately, due to the first COVID-19 lockdown, deliveries of corporate donations to our field projects in Eastern Europe from a range of UK manufacturers was halted for four months. As a result, overall income from this source fell by 40% on last year to £1,688,800.

Shipments to our warehouse in Romania have now returned to normal and we continue to receive a variety of items including mattresses, headboards, divans, school desks, furniture, bicycles, and knitting. Last year blankets and knitted items including gloves, sweaters and socks valued at £195,817 was shipped to field countries.

Our aim in the next year is to match the urgent needs which exist in the field for example for personal hygiene items and sewing machines with potential corporate donors, widening sources of corporate support.

During 2020, MWB started to implement a new fundraising strategy in the UK with the aim of achieving a 28% growth in net income by 2025.

We continue to focus on three strategic priorities:

1. Growing our supporter database – By 2025 we aim to have doubled the number of individual donors supporting the Mission by building awareness and engagement in our work. Our plan also aims to significantly increase the number of child and family sponsors through a stronger presence with churches and at Christian events as well as online.

2. Diversify our income streams – Invest in potential areas of growth that will enable the Mission to develop work in new geographical areas and potential new programs. This includes trusts & foundations, statutory funding, church and Christian community engagement and events and partnerships.

2. Building supporter engagement - Develop more involved and committed relationships with existing supporters opening up a closer dialogue through the telephone, face to face visits, receptions, website and social media as well as educational events. We will also engage with them through more regular good quality information and stories of our beneficiaries both by mail and online.

REVIEW OF ACTIVITIES (continued)

Fundraising with Care

We are enormously thankful to all our supporters for the inspiring and encouraging relationships we have with them, both in terms of their financial support as well as their engagement with the beneficiary children and families we serve.

Our aim is to build on these already good connections with our supporters, listening to how they wish to engage with us and highlighting other ways they can be involved with us through their time, treasure and talents. We are determined to respond to their kindness through positive conversations and these have developed during 2020 and the pandemic, where we had longer than usual telephone calls as well as prayed with people who have wanted to.

Mission Without Borders are members of the Fundraising Regulator and we abide by their Fundraising Code of Practice, which includes rules to protect privacy and data as well as guidelines that cover many different areas of fundraising. In 2020, no complaints were received concerning our fundraising activity. Trustees engage with fundraising best practice and receive regular monthly reports reviewing activity.

We are very aware of the potential for fundraising to become intrusive and we do ensure that within the communication programme to supporters we do seek to inform and educate them on our work through a regular newsletter and annual review magazine. When we contact supporters we always provide clear and simple ways for them to opt out of future communications with us and seek to respond to all of these in a prompt manner.

We have not and will not sell information on our donors and recognise that the trust placed in us demands the highest standards. MWB only works with trusted partners who share our values and concern for our donors and we do not make commission-based payments

In 2020, along with MWB International, we have reviewed all risk levels, movement and controls that are in place on our Risk Register. This is monitored on a regular basis and includes fundraising, communications and PR to ensure they are managed effectively.

General Data Protection Legislation

A comprehensive compliance review of GDPR at MWB in the UK was undertaken by the UK Country Director and MWBI Compliance Director in June 2020. We continue to work hard to ensure that all staff are aware of and sensitive to, data protection issues in their day to day work and are fully committed to GDPR compliance. Trustees also review this area in conjunction with their legal and other professional responsibilities.

PUBLIC BENEFIT

The trustees have noted the Charity Commission guidance on the public benefit requirement under the Charities Act 2011 and are confident that the activities of the Mission comply with this requirement. The trustees have also resolved that in administering the charity they will continue to pay due regard to the Charity Commission guidance on public benefit.

FUTURE PLANS AND GOING CONCERN ASSESSMENT

Despite the pandemic and the interruption to the operations of MWB both in the field countries as well as the Fundraising Offices, operational staff continued to work in delivering as many services as possible throughout the year while all staff contributed financial savings to the Mission as we went through the early part of the crisis in Spring 2020. Along with cuts in budget and the temporary freezing of new posts, the generosity of faithful supporters ensured that Mission income including legacies for 2020 ultimately finished up on last year.

As we move into 2021, the trustees continue to monitor the ongoing impact of the COVID-19 pandemic across all our operations and are ready to take actions to mitigate against its potential impact.

These actions include the following:

- ◆ As we come out of a third national lockdown and with the vaccination programme starting to take effect across the population, MWB UK will continue to maintain efficient operations and ensure the safety of staff through a mix of remote working and office based activities. When in the charity's office all appropriate social distancing measures will continue to take place and staff will follow the charity's COVID-19 procedures. The mix of these activities will flex according to the advice issued by the UK Government at the time.
- ◆ Activities planned with supporters and churches involving fundraising events, visits, receptions and talks are on hold and will be reviewed in late spring, however no income is projected in 2021 from any events involving any face to face presentations. Where possible, online virtual meetings, videos, etc will continue to replace these activities.
- ◆ The pandemic did delay some plans in 2020, for example the Spring donor acquisition campaign was cancelled as the charity was unsure targeted response levels would be met. However, the Mission continues to implement a new 5-year international MWB strategy and development plan which sets the direction of travel and key areas that the Mission wishes to advance in.

Funds have been made available for this investment and activities will be monitored closely to ensure plans for 2021 and for 2022-2025 can still be funded in the light of prevailing market conditions.

- ◆ Activities in the field countries continue to be reviewed on an ongoing basis by the respective Country Director together with the International Field Director and International CEO. It is hoped that as the vaccination program gathers pace in Eastern Europe and infection rates fall, we will see a steady loosening of restrictions around cross-border travel as well as on operations such as our after-school clubs, summer camps, church meetings and events which have all been impacted.
- ◆ The safety of our staff, volunteers as well as the beneficiary families we work with remain our major concern. Many have had COVID-19, but we are grateful that, at the present time, we have not lost any staff to this virus. We continue to take all necessary precautions through PPE, social distancing as detailed in the MWB COVID policy.

FUTURE PLANS AND GOING CONCERN ASSESSMENT (continued)

Key activities MWB are seeking to achieve globally over the next 5 years include:

- ◆ Increasing the number of families supported across the six countries we operate in.
- ◆ Providing effective after school clubs for children in all areas of our work.
- ◆ Developing new work in Albania, Bosnia & Herzegovina and Bulgaria.
- ◆ Expanding our support into new areas of need in Eastern Ukraine.
- ◆ Increasing our scholarship program for young people by 10%.
- ◆ Collaborating with more churches particularly in Eastern Ukraine.
- ◆ Developing, securing funds for and implementing a program for the elderly.
- ◆ Focusing corporate donations on priority areas of need in our programs.
- ◆ Make the necessary efficient investment in IT systems to include developed data analysis and reporting tools.
- ◆ Develop new fundraising offices in addition to the new office opened in Denmark in 2020.
- ◆ Support and invest in the fundraising and communications programs, securing an increase in net income.
- ◆ Provide more consistent and creative communications including a greater presence online through effective digital campaigns which will raise awareness and support.
- ◆ Prioritise staff development and well-being, developing and planning for future leaders.

In recognition of the above, the actions taken by the charity during 2020 and the response from its donor constituents, the trustees believe that the charity is a going concern on the basis set out below:

- ◆ At 31 December 2020, the charity had a contingency fund of £60,000 and unrestricted general reserves of £136,186, supported by a cash balance of £99,693 and a working capital balance of £194,299.
- ◆ In addition, the charity has a loan facility of up to £350,000 from Mission Without Borders International (as detailed in note 11) which will be repayable by 2034. Based on current projections, Mission Without Borders anticipate that the first tranche of this loan will not need to be drawn down on until January 2022. The loan facility is to enable fundraising development in the UK with additional resources in staffing and online and offline marketing.

FUTURE PLANS AND GOING CONCERN ASSESSMENT (continued)

- ◆ Taking into account the improving economic position, MWB actual income performance over the last year and the response from our donors both from appeals as well as from regular givers, we believe the income projections in 2021 are realistic and the potential risk of a significant reduction in voluntary income due to the pandemic is minimal.
- ◆ Should the circumstances deteriorate significantly beyond current forecasts, the charity will consider seeking the support of Mission Without Borders International which has significant liquid funds to assist the charity should the need arise.

Despite the uncertainties around the continued impact of COVID-19 on the charity, the trustees believe it is appropriate to prepare the 2020 financial statements on the going concern basis.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Status

Mission Without Borders ("the charity", "MWB") is a registered charity (number 270659) and is constituted as a company registered in England and limited by guarantee (registration number 01065601). The Memorandum and Articles of Association are the governing documents setting out the objects and powers of the charity.

Structure

MWB is an independent charity which is part of a global network co-ordinated by Mission Without Borders International (MWBI).

MWBI is a separate legal entity registered in the USA as a 501(c)(3) not-for-profit charitable organisation. MWBI provides strategic and management support and coordinates activities carried out with other Mission Without Borders charities, of which there are twelve fundraising offices operating across the world and six field offices delivering our work in Eastern Europe.

The 'umbrella' of MWBI seeks to enable efficient working and the exchange of valuable expertise.

Governance

The trustees are ultimately responsible for all matters of principle concerning the charity, and the UK Country Director must seek approval of the Board in relation to any decisions where required by the terms of our internal control regulations.

Under the terms of the governing documents, trustees are normally appointed at the AGM with one third retiring by rotation (who are then eligible for reappointment).

The trustees have adopted the Charity Governance Code and continue to monitor procedures to ensure compliance with the code. The trustees have also invited a number of people who are willing to give their expert advice in various fields to become members of the Board of Advisors. The members of the Board of Advisors are not trustees, and they do not have legal responsibility as such nor as directors or members of the registered company.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governance (continued)

New trustees are usually selected from people who have an understanding of and commitment to the purpose of the Mission. Their experience and understanding is assessed against the needs of the charity to ascertain their ability to guide, implement and monitor the policies of a charity operating internationally. Existing trustees, staff, advisers and supporters are involved in the identification of suitable candidates.

Trustees receive general induction about the operations of the charity and are provided with the Charity Governance Code to understand their responsibilities. Ongoing training is then tailored to the needs of the individual trustee. Trustees are not remunerated for their work as Trustees.

Management

The day-to-day running of the charity is overseen by the UK Country Director who is supported by a staff team. The Country Director reports directly to the Board of Trustees and the International CEO and receives support from the MWBI Executive Team on issues affecting the global operations of the charity. The Country Director is responsible for providing the Board with regular reports and KPIs that measure progress against agreed objectives.

During the year, the trustees receive a monthly report providing an overview of performance against budget and an update on the charity's activities. The strategy is reviewed annually to ensure it is an active working document that accurately reflects the direction of the UK office.

Pay and remuneration

In setting pay and remuneration, the trustees seek to ensure that everyone is paid fairly. Salaries are reviewed by the Board annually which includes consideration for changes in the cost of living and responsibilities. The pay of key management personnel is benchmarked against equivalent positions in the voluntary sector.

MWB would not aim to pay staff more than others in similar jobs in the sector, as it is our hope that people will choose to work for MWB because of what we do and their desire to be part of it rather than for financial incentives. Details of remuneration awarded to key management personnel are included within note 6 of the financial statements.

Financial review

In summary, our total income of £2,212,628 in 2020 (2019 - £3,155,745), including donations in kind of £1,688,800 (2019 - £2,793,932), was applied to fund total expenditure of £2,153,462 (2019 - £3,149,069) which resulted in a surplus for the year of £59,166 (2019 - surplus of £6,676).

Of this, £1,984,370 (2019 - £3,047,760) was expended in furtherance of our charitable activities, with £169,092 (2019 - £101,309) used in raising funds. Out of every pound raised by the charity, 90p (2019 - 97p) was used in furtherance of our charitable activities.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Reserves policy

The charity sees its main responsibility as transferring the maximum possible amount of money raised in donations to the beneficiaries in the field according with its objects.

It is essential for sufficient accounting reserves to be maintained in order to:

- ◆ Meet budgeted transfers and payments in the face of an unexpected fall in income.
- ◆ Have sufficient reserves on hand for a sudden unexpected increase in programme needs.
- ◆ Meet exceptional expenses; and
- ◆ Meet any planned capital expenditure.

To that end, the trustees will regularly review and set a target reserve level. This is currently set at £60,000 representing approximately two months running costs. To recognise this, we have designated a reserve accordingly of £60,000 at 31 December 2020 (2019 - £60,000).

General funds at 31 December 2020 are £136,186 (2019 - £71,974), of which free reserves were £134,299 (2019 - £71,078). Free reserves are the general funds held by the charity less the net book value of tangible fixed assets. The trustees consider this level of free reserves to be adequate but not excessive given the planned investment in fundraising for 2021. Restricted funds at 31 December 2020 are £nil (2019 - £5,046).

Risk management

It is the charity's policy to have a risk management framework which:

- ◆ Attempts to identify, assess and manage all of Mission Without Borders' risks
- ◆ Supports Missions Without Borders International strategic plan
- ◆ Assigns clear responsibilities for risk management
- ◆ Monitors and tracks progress on managing risk

The charity maintains a risk register which is reviewed regularly by the trustees. During the year under review, risks to which the charity could be exposed were identified and action planned to minimise such risks. The major risks identified during the year related to securing sustainable income.

MWB's strategic approach takes into account these risks and includes plans for ensuring that diverse income streams are developed and to ensure there is an appropriate balance between donor acquisition, retention and attrition.

There are also governance and control risks to which the charity is exposed and it is important to ensure that these are mitigated by a robust approach to maintaining a high level of skill and engagement on the trustee board. The addition of specialist advisors to the trustees reinforces our ability to manage governance and control risks.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk management (continued)

The primary operational risk for the charity concerns the recruitment and retention of the paid staff team. A clear, fair and consistent policy is in place for the recruitment of staff so that their expertise can be measured and assessed accurately against their peers. All prospective staff are subject to interview and competency testing; once appointed they must complete a six-month probationary period. Staff are appraised annually and CPD is central to the performance management process.

Other lower risks to the charity relate to external and infrastructure issues. Control processes are in place to manage and monitor these risks.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Mission Without Borders 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 of the income and expenditure of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- ◆ Select suitable accounting policies and then apply them consistently;
- ◆ Observe the methods and principles in 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 financial statements; and
- ◆ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF TRUSTEES' RESPONSIBILITIES (continued)

In so far as the trustees are aware:

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Signed and authorised for issue by order of the Board



Michael Thomas

Chairman

Date: 5 May 2021

Independent auditor's report to the members of Mission Without Borders

Opinion

We have audited the financial statements of Mission Without Borders (the 'charitable company') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the 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 charitable company's affairs as at 31 December 2020 and of its income and expenditure for the year then ended;
- ◆ 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011).

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and

Independent auditor's report 31 December 2020

- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimate for the provision for donations in kind were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

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



Shachi Blakemore, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

10 May 2021

Statement of financial activities (including income and expenditure account)
Year ended 31 December 2020

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Unrestricted funds £	Restricted funds £	Total funds 2019 £
Income from:							
Donations and legacies	1	2,122,981	89,639	2,212,620	3,069,898	85,833	3,155,731
Investment income		8	—	8	14	—	14
Total income		<u>2,122,989</u>	<u>89,639</u>	<u>2,212,628</u>	<u>3,069,912</u>	<u>85,833</u>	<u>3,155,745</u>
Expenditure on:							
Raising funds	2	169,092	—	169,092	101,309	—	101,309
Charitable activities							
· Field programmes	3	1,863,100	94,685	1,957,785	2,946,975	80,787	3,027,762
· Education and information	3	26,585	—	26,585	19,998	—	19,998
Total expenditure		<u>2,058,777</u>	<u>94,685</u>	<u>2,153,462</u>	<u>3,068,282</u>	<u>80,787</u>	<u>3,149,069</u>
 Net income and net movement in funds							
	4	64,212	(5,046)	59,166	1,630	5,046	6,676
 Total funds at 1 January							
		<u>131,974</u>	<u>5,046</u>	<u>137,020</u>	<u>130,344</u>	<u>—</u>	<u>130,344</u>
 Total funds at 31 December							
		<u>196,186</u>	<u>—</u>	<u>196,186</u>	<u>131,974</u>	<u>5,046</u>	<u>137,020</u>

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

The net movement in funds for the year arise from the charity's continuing operations during the above two years.

Balance sheet 31 December 2020

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	7	1,887	896
Current assets			
Debtors	8	131,406	19,076
Cash at bank and in hand		99,693	149,016
		<u>231,099</u>	<u>168,092</u>
Creditors: Amounts falling due within one year	9	<u>(36,800)</u>	<u>(31,968)</u>
Net current assets		<u>194,299</u>	<u>136,124</u>
Total net assets		<u>196,186</u>	<u>137,020</u>
The funds of the charity:			
Unrestricted funds			
. General funds		136,186	71,974
. Designated funds	12	60,000	60,000
Restricted funds	13	—	5,046
Total funds	15	<u>196,186</u>	<u>137,020</u>

Approved by the trustees and signed on their behalf by:



Michael Thomas
Trustee

Approved on: 5 May 2021

Mission Without Borders
Company Registration Number: 01065601 (England and Wales)

Statement of cash flows Year to 31 December 2020

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Net cash (used in) provided by operating activities	A	(47,524)	22,409
Cash flows from investing activities:			
Investment income		8	14
Purchase of equipment		(1,807)	(806)
Net cash (used in) investing activities		(1,799)	(792)
Change in cash and cash equivalents in the year		(49,323)	21,617
Cash and cash equivalents at 1 January	B	149,016	127,399
Cash and cash equivalents at 31 December	B	99,693	149,016

Notes to the statement of cash flows for the year to 31 December:

A Reconciliation of net movement in funds to net cash provided by operating activities

	2020 £	2019 £
Net movement in funds (as per the statement of financial activities)	59,166	6,676
Adjustments for:		
Depreciation charge (note 7)	816	314
Interest income	(8)	(14)
(Increase) in debtors (note 8)	(112,330)	(2,609)
Increase in creditors (note 9)	4,832	18,042
Net cash (used in) provided by operating activities	(47,524)	22,409

B Analysis of cash and cash equivalents

	2020 £	2019 £
Total cash and cash equivalents: Cash at bank and in hand	99,693	149,016

C Analysis of changes in net debt

	At 1 January 2020	Cash flows	At 31 December 2020
Cash at bank and in hand	149,016	(49,323)	99,693
Total	149,016	(49,323)	99,693

Principal accounting policies 31 December 2020

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

Basis of preparation

These financial statements have been prepared for the year to 31 December 2020 and are presented in sterling and are rounded to the nearest pound.

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

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ valuation of donations in kind received during the year;
- ◆ estimating the useful economic life of tangible fixed assets;
- ◆ allocation of support costs across charitable activities; and
- ◆ valuation of legacies to be recognised in accordance with FRS 102.

In addition to the above, the full impact following the recent emergence of the global coronavirus pandemic is still unknown. It is therefore not currently possible to evaluate all the potential implications for the charity's activities, beneficiaries, funders, suppliers and the wider economy.

Assessment of going concern

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

Assessment of going concern (continued)

The trustees have taken into consideration the impact of the pandemic on the charity in 2020 and have concluded that although there may still be some negative consequences and greater risk in relation to the fundraising for the charity's activities in 2021, the trustees believe that the charity is a going concern on the basis detailed within the 'Future plans and Going Concern Assessment' section within the trustees' report (see pages 14 to 15). This includes the level of free reserves at 31 December 2020, and a loan facility of up to £350,000 from Mission Without Borders International that the charity could draw upon. Based on this, the trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed above.

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. Income comprises donations, corporate donations in kind, legacies and interest.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is not recognised until either the conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Where donors have specifically stated which appeal their donations are to be used for, this has been treated as restricted income. Where donations have been made that can be used at the discretion of the charity, then this has been treated as unrestricted income.

Corporate donations in kind are recognised as income in the year in which they are donated and distributed at the best estimate of their value to the charity as derived from the donor. Where the donor does not provide any valuation, the trustees obtain a suitable market valuation from one or more alternative sources. These gifts are recorded as unrestricted income when received and when disbursed, as the goods are distributed where needed at the discretion of the charity.

Income recognition (continued)

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity. Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having being transferred to the charity.

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.

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 accrual's basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes staff costs associated with fundraising and an allocation of premises costs.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities.

All expenditure is stated inclusive of irrecoverable VAT.

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 in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Allocation of support and governance costs (continued)

Support costs and governance costs are apportioned between expenditure categories based on the time spent on each activity.

Payments to Mission Without Borders International

Mission Without Borders is the UK fundraising affiliate of MWBI which co-ordinates worldwide fundraising. Affiliates, including this charity, incur fundraising expenses to acquire donations. MWBI then consolidates the donations received before allocating fundraising and administration expenses as a percentage of donated revenue. Mission Without Borders makes cash and gift in kind donations to MWBI, which are pooled and used by MWBI to transfer on a monthly basis to the field.

Fixed assets

Tangible fixed assets are capitalised and included at cost including any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight-line basis over the expected useful economic lives of the assets concerned as follows:

Furniture, fittings and office equipment	- Between 3 and 5 years
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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.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors

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.

Operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Rentals paid under operating leases are charged to the statement of financial activities as incurred.

Contributions to pension funds

The charity operates a defined contribution pension scheme. The pension costs charged to the statement of financial activities represent the amount of the contributions payable to the scheme in respect of the accounting period.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of payment.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Corporation tax

The Company is a registered charity and as such its income and gains falling within Sections 471 to 489 of the Corporation Tax Act 2010 or Section 256 of Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objectives.

Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

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

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

Notes to the financial statements 31 December 2020

1 Income from donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Donations receivable	319,654	89,639	409,293	343,237
Corporate donations (donations in kind)	1,688,800	—	1,688,800	2,793,932
Legacies	114,527	—	114,527	18,562
Total funds	2,122,981	89,639	2,212,620	3,155,731

	Unrestricted funds £	Restricted funds £	Total 2019 £
<i>Donations receivable</i>	<i>257,404</i>	<i>85,833</i>	<i>343,237</i>
<i>Corporate donations (donations in kind)</i>	<i>2,793,932</i>	<i>—</i>	<i>2,793,932</i>
<i>Legacies</i>	<i>18,562</i>	<i>—</i>	<i>18,562</i>
Total funds	3,069,898	85,833	3,155,731

2 Expenditure on raising funds

	Unrestricted funds	
	2020 £	2019 £
Staff costs	93,154	56,310
Premises and office costs	75,938	44,999
	169,092	101,309

3 Expenditure on charitable activities

	Field programme				
	Family care £	Child care £	Child & family sponsorship £	Education and information £	Total 2020 £
Direct costs					
Cash donations for fieldwork	58,336	39,417	70,747	—	168,500
Donations in kind transfer for fieldwork	929,700	760,664	—	—	1,690,364
Staff costs	—	—	—	22,728	22,728
Other direct costs	76	62	—	3,857	3,995
	988,112	800,143	70,747	26,585	1,885,587
Support costs					
Staff costs	11,849	11,849	10,156	—	33,854
Office costs	15,519	15,519	13,301	—	44,339
Premises costs	1,994	1,994	1,708	—	5,696
	29,362	29,362	25,165	—	83,889
Governance costs					
Staff costs	624	624	534	—	1,782
Office costs	817	817	700	—	2,334
Premises costs	105	105	90	—	300
Audit fees	3,549	3,549	3,042	—	10,140
Legal and accountancy	118	118	102	—	338
	5,213	5,213	4,468	—	14,894
	1,022,687	834,718	100,380	26,585	1,984,370

3 Expenditure on charitable activities (continued)

	Field programme				Total 2019 £
	Family care £	Child care £	Child & family sponsorship £	Education and information £	
Direct costs					
Cash donations for fieldwork	61,171	37,557	65,142	—	163,870
Donations in kind transfer for fieldwork	1,539,038	1,259,213	—	—	2,798,251
Staff costs	—	—	—	16,342	16,342
Other direct costs	84	69	—	3,656	3,809
	<u>1,600,293</u>	<u>1,296,839</u>	<u>65,142</u>	<u>19,998</u>	<u>2,982,272</u>
Support costs					
Staff costs	12,068	12,068	10,344	—	34,480
Office costs	4,753	4,753	4,074	—	13,580
Premises costs	1,796	1,796	1,539	—	5,131
	<u>18,617</u>	<u>18,617</u>	<u>15,957</u>	<u>—</u>	<u>53,191</u>
Governance costs					
Staff costs	635	635	544	—	1,814
Office costs	250	250	215	—	715
Premises costs	95	95	81	—	271
Audit fees	3,192	3,192	2,736	—	9,120
Legal and accountancy	132	132	113	—	377
	<u>4,304</u>	<u>4,304</u>	<u>3,689</u>	<u>—</u>	<u>12,297</u>
	<u>1,623,214</u>	<u>1,319,760</u>	<u>84,788</u>	<u>19,998</u>	<u>3,047,760</u>

4 Net Income

This is stated after:

	2020 £	2019 £
Staff costs (note 6)	151,518	108,946
Auditor's remuneration		
. Audit Fees	10,140	9,120
Depreciation	816	314
Operating lease rentals	16,120	16,120

5 Trustees' emoluments and expenses

The trustees did not receive any emoluments from the charity for their work as trustees during the current or prior period. No trustees were reimbursed for travel and subsistence expenses in their role as trustees during the year (2019 - £nil).

6 Staff costs

The average monthly number of persons employed during the year by the charity, excluding trustees, was:

	2020 No.	2019 No.
Field programme	2	1
Administration	2	1
	<u>4</u>	<u>2</u>

6 Staff costs (continued)

The employment costs were as follows:

	2020 £	2019 £
Wages and salaries	135,308	97,729
Social security costs	12,434	8,871
Pension costs	3,776	2,346
	151,518	108,946

There were no employees with emoluments exceeding £60,000 per annum during either year.

The key personnel of the charity comprise the Country Senior Management and the trustees. The total remuneration (including taxable benefits, employers pension and employers' national insurance contributions) of the key management personnel was £112,117 during the year (2019 - £66,614).

7 Tangible fixed assets

	Furniture, fittings and office equipment £
Cost	
At 1 January 2020	11,478
Additions	1,807
At 31 December 2020	13,285
Depreciation	
At 1 January 2020	10,582
Charge for the year	816
At 31 December 2020	11,398
Net book value	
At 31 December 2020	1,887
At 31 December 2019	896

8 Debtors

	2020 £	2019 £
Gift Aid recoverable	4,834	4,535
Other debtors	11,062	8,257
Prepayments and accrued income	115,510	6,284
	131,406	19,076

9 Creditors: amounts falling due within one year

	2020 £	2019 £
Other creditors	19,857	15,250
Taxation and social security creditor	3,232	4,449
Pension contributions	2,921	2,499
Accruals	10,790	9,770
	36,800	31,968

10 Liability of members

The company is a registered charity and is limited by guarantee with no share capital. The liability of each member in the event of winding-up is limited to £1.

11 Related party transactions

All goods received for field programmes in 2020, and with a value of £1,688,800 (2019 - £2,793,932), have been transferred to Mission Without Borders International (MWBI), of which the company is the UK affiliate. Mission Without Borders incurred expenses on behalf of MWBI of £1,564 (2019 - £4,319) in relation to the acquisition and transfer of these goods and other general expenses.

As at 31 December 2020, MWBI owed Mission Without Borders £11,062 (2019 - £8,257) in respect of reimbursable shared costs.

MWBI is a United States 501(c)(3) non-profit religious organisation which distributed funds raised by affiliated organisations (which include Mission Without Borders), and co-ordinates the funding of and activities in programmes in Eastern Europe.

Cash transfers from Mission Without Borders to MWBI in the year amounted to £168,500 (2019 - £163,870).

Several trustees of the charity hold remunerated positions in MWBI. The charity has actively sought out their representation on the board of trustees for their expertise and understanding of the Mission. The current trustees include Mary Elizabeth Waldy (International Fundraising and Communications Director, MWBI) and Stephen Young (International Chief Executive Officer, MWBI).

A loan from Mission Without Borders International (MWBI) was agreed in 2019 in accordance with a promissory document dated 1 November 2019, under which a maximum of £350,000 is available to the charity from MWBI. Interest is calculated at a rate of 1.94% and is payable on amounts drawn down. Under the terms of the document, ten interest only payments will commence on the fifth annual anniversary of 1 November 2019, which will continue for nine annual anniversary dates. The loan shall mature on 31 October 2034, at which time all accrued interest and unpaid principal shall be payable in full.

As at 31 December 2020, Mission Without Borders had not drawn down any of the available facility.

12 Designated funds

	At 1 January 2020 £	New designations £	Utilised/ released £	At 31 December 2020 £
Contingency fund	60,000	—	—	60,000

	At 1 January 2019 £	New designations £	Utilised/ released £	At 31 December 2019 £
Contingency fund	60,000	—	—	60,000

Contingency fund - this relates to funds set aside by the trustees as being the minimum level of funds to meet unexpected shortfalls in income, sudden field programme needs and exceptional expenditure. Whilst there were no unexpected shortfalls in income in 2020, the trustees believe this contingency fund should be carried forward to 2021.

13 Restricted funds

	At 1 January 2020 £	Income £	Expenditure £	At 31 December 2020 £
Child Care	—	6,200	(6,200)	—
Family Care	5,046	12,692	(17,738)	—
Child & Family Sponsorship	—	70,747	(70,747)	—
	5,046	89,639	(94,685)	—

	At 1 January 2019 £	Income £	Expenditure £	At 31 December 2019 £
Child Care	—	170	(170)	—
Family Care	—	20,521	(15,475)	5,046
Child & Family Sponsorship	—	65,142	(65,142)	—
	—	85,833	(80,787)	5,046

Restricted funds arise when the donor stipulates how their donation must be spent. These stipulations are taken into account and recognised in the following funds:

Child Care - Helping children in need. The purpose of the Child Care programme is to meet the personal developmental needs of orphaned and abandoned children living in institutions, as well as children from poor families living in communities in Eastern Europe, by responding to their individual needs.

Family Care - Helping families in need. The purpose of the Family Care programme is to meet basic needs of poor and disadvantaged families that reside in selected communities in Eastern Europe.

Child & Family Sponsorship - Helping children in institutions through individual sponsorships & families in need through sponsorship of an entire family. The purpose of the child sponsorship programme is to meet the basic needs of orphaned and abandoned children residing in Children's homes in Eastern Europe. The purpose of the family sponsorship programme is to take families on a journey from poverty to self-sufficiency.

14 Operating leases

As at 31 December, the charity had total commitments under non-cancellable operating leases as set out below:

	Land and buildings	
	2020	2019
	£	£
Expiring:		
. Within one year	16,120	16,120

15 Analysis of net assets between funds

	Unrestricted funds		Restricted funds	Total funds
	General funds	Designated funds		
	£	£	£	£
At 31 December 20120				
Tangible fixed assets	1,887	—	—	1,887
Current assets	171,099	60,000	—	231,099
Current liabilities	(36,800)	—	—	(36,800)
	136,186	60,000	—	196,186

	Unrestricted funds		Restricted funds	Total funds
	General funds	Designated funds		
	£	£	£	£
<i>At 31 December 2019</i>				
<i>Tangible fixed assets</i>	<i>896</i>	<i>—</i>	<i>—</i>	<i>896</i>
<i>Current assets</i>	<i>103,046</i>	<i>60,000</i>	<i>5,046</i>	<i>168,092</i>
<i>Current liabilities</i>	<i>(31,968)</i>	<i>—</i>	<i>—</i>	<i>(31,968)</i>
	71,974	60,000	5,046	137,020

16 Post balance sheet events

Apart from the ongoing need to monitor the impact of COVID-19 on the operations of MWB in the UK and on MWB programs in the field, which the trustees of MWB in the UK and senior management in MWBI monitor regularly, there are no post balance sheets to report.