
Maternal & Childhealth Advocacy International

Scottish Charitable Incorporated Organisation

Charity Number: SC043467

Trustees' Report and Financial Statements

For the Year Ended

31st October 2018

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LEGAL AND ADMINISTRATIVE INFORMATION

Charity Number: SC043467
Principal Office: 1 Columba Court
Laide
Achnasheen
Ross-shire
IV22 2NL

Trustees: At the date of this report, the current Trustees are:

	<u>Appointed</u>	
Dr Brigid Hayden	4 th October 2012	
Dr Rhona MacDonald	4 th October 2012	Honorary Executive and Finance Director
Dr David Southall	4 th October 2012	Honorary Medical Director
Dr Madho Jingree	12 th April 2014	
Ms Wendy Martin	8 th September 2016	
Mr Steve Schnabel	7 th March 2018	
Mr Adeyemo Kolo	3 rd November 2017	Resigned 11 th April 2018

Independent Examiner:

Sandra J Nairn ACMA CGMA
The Slipway
Inverasdale
Poolewe
Wester Ross
IV22 2LN

UK Banks:

Co-operative Bank plc
PO Box 200
Skelmersdale
Lancashire
WN8 6GH

Scottish Widows
67 Morrison Street
Edinburgh
EH3 8YJ

Triodos
Deanery Road
Bristol
BS1 5AS

International Banks:

Ecobank Liberia
Head Office, Monrovia
Randall Street
Monrovia
Liberia

Standard Chartered Bank, The Gambia
8 Ecowas Avenue
PO Box 259
The Gambia

Banque Atlantique Cameroon
PO Box 818
Bamenda
Cameroon
Cameroon account closed w.e.f. 31 Dec 17

TRUSTEES' REPORT

Structure, Governance and Management

Maternal & Childhealth Advocacy International (MCAI) is a Scottish Charitable Incorporated Organisation (SCIO) and was registered with the Scottish Charity Regulator with effect from 4th October 2012 with registration number SC043467.

The charity is governed and administered in accordance with its constitution and mission statement.

The structure of the charity consists of the Trustees, who are also the organisation's only members, and comprise the MCAI board.

The Trustees manage the organisation of the charity and make all the major and strategic decisions about its organisation, governance, operation, and structure. The Trustees work for the charity on a voluntary basis. The Honorary Executive & Finance Director is responsible for the overall management of the charity and the Honorary Medical Director is responsible for operational activities in international projects and the health of international charity workers (previously referred to as 'volunteers'). Trustees share the responsibility of the safety and security of international charity workers and of safeguarding issues. Because of staff changes in the current year, both Honorary Directors also carry out much of the day to day administration with the help of a part-time finance manager. National administrative staff run the day to day operations of the international programmes. Committed UK-based volunteers help with the analysis of the monitoring and administration of the international projects.

Trustee appointment and recruitment is in line with the criteria stipulated in the charity's constitution. Trustee recruitment is a fair and open process that can be accessed by any individual aged 16 years and over (excluding employees) who has valuable skills and experience that will benefit the charity, who subscribes to the purposes of the organisation, and believes in MCAI's stated values. The constitution requires that nominations should come from an existing trustee and that appointment should follow a staged recruitment process, a conflict of interest check, and a unanimous decision from the Board of Trustees. The maximum number of trustees is 12 and the minimum is 4.

Objectives and Activities

Charitable Purposes

The charitable purposes of Maternal & Childhealth Advocacy International are defined in its constitution. The purposes are:

- To relieve those in need by reason of age, ill-health, disability, financial hardship or other disadvantage by supporting public health systems in the countries in which we work and by advocating for effective medical treatment to be free at the point of delivery and accessible to all.
- To advance health by saving and improving the lives of seriously ill pregnant women, children, and babies in areas of extreme poverty by empowering and enabling our in-country partners to strengthen emergency healthcare so that every baby, infant, child, and pregnant woman and girl can receive high quality emergency healthcare without delay.

Main Activities

In Liberia, MCAI expanded the training programmes in advanced obstetric and neonatal care and strengthened the health service delivery of quality maternal and neonatal care in public hospitals by supporting expert national staff. In order to provide continuous emergency health care, MCAI continued to provide medicines and medical supplies and equipment.

All training programmes continue to be rigorously monitored and evaluated with robust data, which is shared with partners and donors.

MCAI continued to develop and distribute up-to-date and evidence-based medical teaching materials, including textbooks, pocketbooks and E-Libraries, to health workers in low-resource settings.

MCAI continued to advocate for the rights of pregnant women, babies, and children at a national and international level, and to translate these rights into practical clinical work and programmes.

The Trustees undertook fundraising activities throughout the year (adhering to MCAI's ethical fundraising policy) in the form of applying for grants and seeking donations in order to fund the charity's project work. All fundraising activity throughout the year was undertaken by unpaid volunteers and Trustees not based in the office with minimal financial cost to the charity. Trustees also regularly reviewed, developed, and upheld the charity's governance structures, policies, and operating procedures, particularly as regards safeguarding. The Trustees continued to meet once a month by videoconferencing.

Achievements and Performance

A total of 95 international volunteer days were spent on MCAI's projects in West Africa.

- In Liberia, as part of MCAI's advanced obstetric training programme, the first two qualified obstetric clinicians continued to work in two public hospitals as designated by the Ministry of Health while sharing their expertise and experience with their health worker colleagues to help build knowledge and capacity in the health workforce. The 9 obstetric clinician interns continued with their training by undergoing the final year of the 3-year training programme working as interns in five rural hospitals throughout Liberia, supported by regular clinical audit meetings with UK experts. MCAI appointed 10 new obstetric clinician trainees in January 2018, and after a 2-month intensive foundation course, are currently based at the 3 teaching Hospitals in Liberia. They receive distance learning tutorials from UK experts and are continuously assessed through weekly written exams.
- Again in Liberia, MCAI's task-sharing programme in advanced neonatal care expanded by appointing 5 new neonatal trainees, who commenced their training in September 2018 under the supervision of international neonatal trainer, Adeyemo Kola. Adeyemo Kola had to step down in his role as a Trustee to take up a paid position of long-term neonatal trainer in Liberia. The trainees received weekly distance learning tutorials from UK experts and were continuously assessed through weekly written exams. The original neonatal trainees began their internship in May 2018, one based at Martha Tubman Hospital in Grand Gedeh county, a very rural area. The high quality neonatal unit continues to function at a public hospital in Liberia (CB Dunbar Hospital) under the leadership of Adeyemo Kola.
- An innovative new project to help detect fetal distress and empower pregnant women during labour was established at two public hospitals in Liberia (CB Dunbar and CH Rennie). In this project, pregnant women the early stages of labour who give their informed consent are trained to monitor their Fetal Heart Rate (FHR) at the end of every contraction using a simple sonicaid and alert her attending midwife/obstetric clinician trainee if she detects any changes. If changes are confirmed, appropriate clinical interventions are immediately undertaken by the obstetric clinician or doctor.
- MCAI's Honorary Medical Director visited Liberia every 2 – 3 months to provide supervision, leadership, and quality control to the obstetric and neonatal programmes.
- In The Gambia, MCAI continued to support national staff (doctors, midwives, nurses, and orderlies) to run the maternity unit at Brikama Hospital, the busiest unit in The Gambia. A Trustee briefly visited the project to support the Brikama staff. MCAI's support for the Gambia Programme ended on 31st October 2018. The Ministry of Health, UN partners, and Gambian staff were given 6 months' notice before MCAI exited The Gambia.
- MCAI exited the programmes in Cameroon [Prevention of Mother to Child Transmission (of HIV) programmes in Bamenda and Nkwen] as planned on 31st December 2017.

Future Plans

In Liberia, with the support of partners, MCAI plans to scale up and roll out the task-sharing programmes in advanced obstetrics and in advanced neonatal care to other counties; expand the FHR monitoring project to other hospitals; and establish more neonatal units in hospitals in which the neonatal clinicians are based.

Financial Review

Policy on reserves

Sufficient funds are always held in reserve to ensure that the charity can operate the UK office and pay UK staff for 4 months with an additional agreed amount (£3,000) for contingency, such as the event of staff redundancy. Trustees consider that the 4 month time period is sufficient to allow for financial responsibilities to be upheld in any (unlikely) unforeseen circumstances that might lead to the dissolution of the charity and the £3,000 additional funds necessary to uphold duties and responsibilities to employed staff. Trustees consider that this reserve policy is prudent financial governance, which balances the effective use of funds for charitable purposes with responsibilities and duties to UK employed staff and other contractual and legal obligations.

MCAI upholds its responsibilities to its projects (including national staff) by allowing funds from MCAI's partner, the Advanced Life Support Group (ALSG) to accrue over the year to be spent in the following year. This policy (supported by ALSG) means that there are always sufficient funds to sustainably maintain and develop MCAI's project work (and therefore fulfil MCAI's charitable purposes) and uphold financial responsibilities to national staff. MCAI also holds sufficient funds in the MCAI Project Fund to provide a financial buffer if necessary. A minimum of £5,000 is always held in this Fund.

Both of these policies on reserves are reviewed on an annual basis, or more regularly if deemed appropriate by MCAI's Honorary Executive and Finance Director.

Review of accounts

Charitable income for the year totalled £215,634, which has increased from the previous year (£191,227), giving a net income of £15,266. Restricted funds income exceeded expenditure by £9,009, which will be used in the following financial years. For sustainability purposes, to ensure that the Liberian programmes had sufficient funding in the long-term, Trustees continued the financial management system of releasing funds that had been accrued in the previous year [from the ALSG Holding Fund and Allocated Funds—a funding recording system (now held in the MCAI Project Funds, since June 2018) that ringfences grants and donations for specific projects until they have been fully spent]. This financial year, £51,483 of grants and donations held in Allocated Funds (£26,483 of which was received in the previous financial year) were transferred for use in specific projects in Liberia in the current year, or held in the MCAI Project Funds to be spent in Liberia in the next financial year.

With the permission of donors, any remaining funds in the Cameroon projects when MCAI exited Cameroon (£10,551) were transferred to the Liberia programmes and MCAI Project Funds. Again, with permission from donors, the closing funds of £5,424 that remain in the Gambia programme when MCAI exited the country, will be transferred to the Liberian programmes.

MCAI received several grants throughout the year, for the task-sharing programme in advanced neonatal care and advanced obstetric care in Liberia namely: £16,846 (\$21,900) from WHO; £26,923 (\$35,000) from UNFPA; £2,000 from the Paget Trust; and £2,000 from the Anthony and Elaine Bethell Charitable Foundation. Notably, MCAI also received over £40,000 (£41,591) of funding from individual donors to help support these programmes, which also accounts for the increase in gift aid income to these programmes (£11,109, up from £7,504 in total the previous year). MCAI also received smaller grants and donations from trusts, foundations, community groups, and MCAI's fundraising activities throughout the year.

Maternal & Childhealth Advocacy International (SCIO)

MCAI's partner, the Advanced Life Support Group (ALSG), provided £87,879 throughout the year for the future funding for programmes in Liberia—(£68,845) in the next financial year and £19,034 for programme support (UK staff salaries) in the current year.

Income from trading activities decreased this year to £3,087 (from £11,747 the previous year) especially in fundraising activities and events. Income from sales of MCAI's books totaled £2,214.

Of expenditure, £196,821 was spent directly on charitable activities of which £26,060 was spent on related activity running costs (overheads) and £1,214 on charity governance. Robust charity governance continued and further developed throughout the year under the leadership of the Honorary Executive and Financial Director and Charity Trustees, at little financial cost.

For the first time in several years, unrestricted income exceeded expenditure by £6,257, which demonstrates the effectiveness of the UK staff restructuring approach undertaken by Trustees to achieve a sustainable funding plan for charity running costs. UK staff salaries for the year totalled £17,825. Of note, there was considerable staff movement throughout the year, with three staff members leaving the charity (one through planned redundancy) to leave a situation where MCAI now has only one part-time staff member. The 1.6 UK employees recorded in this report is the average of the staff situation over the year. MCAI also provided a workplace pension.

Costs of national staff in Liberia and The Gambia remained at a high level this year and increased from in the previous year (£106,868) to £118,061 as a result of taking on 15 new trainees in the Liberia programmes (10 new obstetric trainees and 5 new neonatal trainees).

Travel expenditure has decreased from the previous year (£19,155, down from £25,313), mainly because international volunteers have visited for shorter times this year, with no long-term stays.

Exchange rate losses and bank charges have decreased from the previous year (£3,251, down from £4,012), perhaps partly because MCAI has used a reputable money transfer company (Currency Solutions Ltd) this year for transfers to Liberia and also used this company's facility to reserve dollars at a favourable exchange rate.

In line with accounting practices, the finances and charitable activities relating to the textbook (International Maternal and Child Health Care: a practical manual for hospitals worldwide) and the pocketbooks (Hospital Care for Maternal Emergencies and Hospital Care for Neonates and Infants) financed by MCAI, are shown in "stock" (p 11, currently valued at £14,364) and have been added to the Books fund (p 21). Most of the work involved in the book distribution project is undertaken by a dedicated UK volunteer: as noted in the paragraph below, the charitable activities of MCAI could not be achieved without the work of its committed and much valued volunteers.

Gifts in kind amounted to £650, comprising of £500 worth of neonatal nasogastric tubes from the company Penine Healthcare and a donation of a high quality second-hand iphone for MCAI's Liberian work, valued at £150. A volunteer also hand-made hygiene bags for women in Liberia, which although have no monetary value, have been greatly appreciated by recipients. In addition, MCAI's international medical charity workers have donated a total of 95 days towards the charity's international programme work. The Honorary Executive & Finance Director works on a voluntary part-time basis on managerial, finance, fundraising, and governance activities. The Honorary Medical Director works full time on a voluntary basis on the operational activities of the charity. The Project Leads, who have overall management and operational responsibility for each international project, also work as volunteers, as do MCAI Trustees. MCAI could not operate without the valuable time and effort donated by its volunteers.

Statement of Trustees Responsibilities

The Trustees of the charity 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).

Maternal & Childhealth Advocacy International (SCIO)

Charity law requires the Trustees to prepare financial statements for each financial year. The Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity 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 of the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 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.

This report was approved by the Trustees on 29 May 2019 and signed on their behalf by:



Dr Rhona MacDonald
Trustee

7 June 2019

Date

INDEPENDENT EXAMINER'S REPORT

Independent examiner's report to the trustees of Maternal & Childhealth Advocacy International Scottish Charitable Incorporated Organisation

I report on the financial statements of the charity for the year ended 31 October 2018 which are set out on pages 10 to 21.

This report is made solely to the company's Trustees, as a body, in accordance with regulation 11 of the Charities Accounts (Scotland) Regulations 2006. My work has been undertaken so that I might state to the company's Trustees those matters I am required to state to them in an Independent Examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's Trustees as a body, for my work or for this report.

Respective responsibilities of trustees and independent examiner

The charity's trustees are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 (the Act) and the Charities Accounts (Scotland) Regulations 2006 (the Accounts Regulations). The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the financial statements as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with regulation 11 of the Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and regulation 4 of the Accounts Regulations; and
- to prepare financial statements which accord with the accounting records and comply with regulation 8 of the Accounts Regulations

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Signed:



Dated: 7 June 2019

Sandra J Nairn ACMA CGMA

SJN Consultants Ltd

The Slipway

Inverasdale

Poolewe

Wester Ross

IV22 2LN

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 October 2018

	Note	2018		2017
		Unrestricted Fund £	Restricted Fund £	Total £
Income and endowments from:				
Incoming resources from generated funds				
- Donations and legacies	(3)	33,830	178,455	212,285
- Charitable activities	(4)	-	-	-
- Other trading activities	(5)	154	2,933	3,087
- Investments	(6)	50	212	262
- Other		-	-	-
Total income		34,034	181,600	215,634
Expenditure on:				
- Raising funds	(7)	503	1,145	1,648
- Charitable activities	(8)	26,060	170,761	196,821
- Other	(9)	1,214	685	1,899
Total expenditure		27,777	172,591	200,368
Net gains on investments		-	-	-
Net (expenditure)/income	(10)	6,257	9,009	15,266
Transfers between funds		(6,180)	6,180	-
Net (expenditure)/income before other gains/ (losses)		77	15,189	15,266
Other gains/(losses)		-	-	-
Net movement in funds		77	15,189	15,266
Reconciliation of Funds:				
Total funds brought forward at 1 Nov 2017		33,406	192,745	226,151
Total funds carried forward at 31 Oct 2018		33,483	207,934	241,417

The notes on pages 13 to 21 form part of these financial statements.

Maternal & Childhealth Advocacy International (SCIO)

BALANCE SHEET

As at 31 October 2018

	Note	2018		2017
		£	£	£
Fixed Assets				
Tangible assets	(12)		2,636	2,007
Current Assets				
Stocks		14,364		16,088
Debtors	(13)	23,502		9,821
Cash at bank and in hand		<u>202,202</u>		<u>204,665</u>
		240,068		230,574
Creditors:				
Amounts falling due within one year	(14)	<u>1,287</u>		<u>6,430</u>
Net Current Assets			<u>238,781</u>	<u>224,144</u>
Total Net Assets			<u>241,417</u>	<u>226,151</u>
Represented by:				
Funds - Unrestricted			33,483	33,406
- Restricted	(17)		<u>207,934</u>	<u>192,745</u>
			<u>241,417</u>	<u>226,151</u>

The charity's trustees acknowledge their responsibilities for the maintenance of accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the charity and of its net incoming resources for the year in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 (the Act) and the Charities Accounts (Scotland) Regulations 2006 (the Accounts Regulations).

The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply.

The financial statements were approved by the Trustees and signed on their behalf by:



Dr Rhona MacDonald
Trustee

7 June 2019

Date

Scottish Charitable Incorporated Organisation Number: SC043467

The notes on pages 13 to 21 form part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 October 2018

	2018 £	2017 £
Cash flows from operating activities		
Net (expenditure)/income per Statement of Financial Activities	15,266	(30,146)
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	671	533
Loss on disposal of tangible fixed assets	50	-
Dividends, interest and rents from investments	(262)	(212)
(Increase)/decrease in stocks	1,724	3,518
(Increase)/decrease in trade and other receivables	(13,681)	14,417
Increase/(decrease) in trade and other payables	(5,143)	(493)
Net cash provided by operating activities	(16,641)	17,763
Cash flows from investing activities:		
Proceeds from sales of property, plant and equipment	-	-
Purchases of property, plant and equipment	(1,350)	-
Dividends, interest and rents from investments	262	212
Net cash from/(used in) investing activities	(1,088)	212
Net cash from financing activities	-	-
Net increase in cash and cash equivalents	(2,463)	(12,171)
Cash and cash equivalents at the beginning of the year	204,665	216,836
Cash and cash equivalents at the end of the year	202,202	204,665
Components of cash and cash equivalents:		
Cash and bank balances	202,202	204,665

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2018

1. Accounting policies

(a) Basis of preparation

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

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 UK and Republic of Ireland (FRS 102) – Charities SORP (FRS 102) (effective 1 January 2015) – the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006 (as amended).

(b) Change in basis of accounting or to previous periods

There has been no change to the accounting policies (valuation rules and method of accounting) since last year and no changes have been made to accounts for previous years.

(c) Fund accounting

Unrestricted funds	These are available for use at the discretion of the trustees in furtherance of the general objects of the charity.
Designated funds	These are unrestricted funds earmarked by the trustees for particular purposes.
Revaluation funds	These are unrestricted funds which include a revaluation reserve representing the restatement of investment assets at their market values.
Restricted funds	These are available for use subject to restrictions imposed by the donor or through terms of an appeal.

(d) Income

Recognition of income	Income is included in the Statement of Financial Activities (SoFA) when the charity becomes entitled to, and virtually certain to receive, the income and the amount of the income can be measured with sufficient reliability.
Income with related expenditure	Where income has related expenditure the income and related expenditure is reported gross in the SoFA.
Donations and legacies	Voluntary income received by way of grants, donations and gifts is included in the the SoFA when receivable and only when the Charity has unconditional entitlement to the income.
Tax reclaims on donations and gifts	Income from tax reclaims is included in the SoFA at the same time as the gift/donation to which it relates.
Donated services and facilities	These are only included in income (with an equivalent amount in expenditure) where the benefit to the Charity is reasonably

quantifiable, measurable and material.

Volunteer help The value of any volunteer help received is not included in the accounts.

Investment income This is included in the accounts when receivable.

Gains/(losses) on revaluation of fixed assets This includes any gain or loss resulting from revaluing investments to market value at the end of the year.

Gains/(losses) on investment assets This includes any gain or loss on the sale of investments.

(e) Expenditure

Recognition of expenditure Expenditure is recognised on an accruals basis. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Expenditure on raising funds These comprise the costs associated with attracting voluntary income, fundraising trading costs and investment management costs.

Expenditure on charitable activities These comprise the costs incurred by the Charity in the delivery of its activities and services in the furtherance of its objects, including the making of grants and governance costs.

Grants payable All grant expenditure is accounted for on an actual paid basis plus an accrual for grants that have been approved by the trustees at the end of the year but not yet paid.

Governance costs These include those costs associated with meeting the constitutional and statutory requirements of the Charity, including any audit/independent examination fees, costs linked to the strategic management of the Charity, together with a share of other administration costs.

Other expenditure These are support costs not allocated to a particular activity.

(f) Taxation

The charity is exempt from tax on its charitable activities.

(g) Tangible fixed assets and depreciation

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

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Equipment – Unrestricted	20% reducing balance
– Restricted	33% reducing balance

For assets held in foreign countries where the asset is likely to be quickly rendered worthless, their cost is written off in the year of acquisition.

(h) Stocks

Stocks relate to textbooks and pocketbooks financed and owned by MCAI and will be distributed to health workers in middle and low income countries throughout the world as a key component of MCAI's charitable activities. Stocks are valued at cost.

(i) Trade and other debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities. In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

(k) Trade and other creditors

Short term creditors are measured at the transaction price. Other creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(l) Foreign currencies

Monetary assets and liabilities denominated in currencies other than the functional currency of the charity are translated at the rates of exchange prevailing at the end of the reporting period.

Transactions in currencies other than the functional currency of the charity are recorded at the rate of exchange on the date that the transaction occurred. All exchange differences are taken into account in arriving at net income/expenditure.

(m) Pension costs

The charity operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the charity pays fixed contributions into a separate entity. Once the contributions have been paid the charity has no further payments obligations. The contributions are recognised as expenses when they fall due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the charity in independently administered funds.

(n) Cost allocation

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. staff time.

Notes To The Financial Statements – continued

For the year ended 31 October 2018

2. Statement of financial activities – prior year

	Note	2017		Total £
		Unrestricted Fund £	Restricted Fund £	
Income and endowments from:				
Incoming resources from generated funds				
- Donations and legacies	(3)	33,323	145,945	179,268
- Charitable activities	(4)	-	-	-
- Other trading activities	(5)	422	11,325	11,747
- Investments	(6)	212	-	212
- Other		-	-	-
Total income		<u>33,957</u>	<u>157,270</u>	<u>191,227</u>
Expenditure on:				
- Raising funds	(7)	588	1,294	1,882
- Charitable activities	(8)	34,889	183,486	218,375
- Other	(9)	1,116	-	1,116
Total expenditure		<u>36,593</u>	<u>184,780</u>	<u>221,373</u>
Net gains on investments		-	-	-
Net (expenditure)/income	(10)	<u>(2,636)</u>	<u>(27,510)</u>	<u>(30,146)</u>
Transfers between funds		<u>609</u>	<u>(609)</u>	<u>-</u>
Net (expenditure)/income before other gains/ (losses)		<u>(2,027)</u>	<u>(28,119)</u>	<u>(30,146)</u>
Other gains/(losses)		<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>(2,027)</u>	<u>(28,119)</u>	<u>(30,146)</u>
Reconciliation of Funds:				
Total funds brought forward at 1 Nov 2015		35,433	220,864	256,297
Total funds carried forward at 31 Oct 2016		<u>33,406</u>	<u>192,745</u>	<u>226,151</u>

Notes To The Financial Statements – continued

For the year ended 31 October 2018

	2018		2017	
	Unrestricted Fund £	Restricted Fund £	Total £	Total £
3. Income from donations and legacies				
Donations from individuals – regular	11,919	7,391	19,310	19,913
Donations from individuals – one-off	546	41,591	42,137	16,986
Legacies	-	-	-	5,000
Gift Aid income	1,702	11,109	12,811	7,504
Appeals	-	-	-	-
Government & Global Agencies	-	44,156	44,156	43,395
Companies and Community Groups	19,034	69,500	88,534	84,345
Gifts in Kind	-	650	650	575
Trusts and Foundations	-	4,022	4,022	1,000
Sundry Income	629	36	665	550
	<u>33,830</u>	<u>178,455</u>	<u>212,285</u>	<u>179,268</u>
4. Income from charitable activities				
Textbooks and Pocketbooks donated	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
5. Income from other trading activities				
Textbook and Pocketbook sales incl. p&p	27	2,187	2,214	1,956
Fundraising activities and sundry events	101	729	830	9,685
Recycling	-	-	-	44
Royalties and product sales	14	-	14	29
MCAI Teaching materials	12	17	29	33
	<u>154</u>	<u>2,933</u>	<u>3,087</u>	<u>11,747</u>
6. Income from investments				
Bank Interest	<u>50</u>	<u>212</u>	<u>262</u>	<u>212</u>

Notes To The Financial Statements – continued

For the year ended 31 October 2018

	2018		2017	
	Unrestricted Fund £	Restricted Fund £	Total £	Total £
7. Expenditure on raising funds				
Cost of book sales	-	944	944	548
Fundraising costs	240	169	409	967
UK office salaries	180	-	180	264
Rent, rates and insurance	54	-	54	53
Telephone	12	7	19	15
Computer	1	2	3	1
Sundry expenses	3	3	6	1
Printing postage, stationery, advertising	6	20	26	27
Depreciation – Equipment	7	-	7	6
(Profit)/Loss on disposal of assets	-	-	-	-
	<u>503</u>	<u>1,145</u>	<u>1,648</u>	<u>1,882</u>
8. Expenditure on charitable activities				
Medical training, equipment and supplies	25	24,918	24,943	34,694
Teaching materials costs	4	1,293	1,297	4,638
Storage and transportation	-	624	624	4,168
Project operational costs	-	285	285	2,206
Monitoring & evaluation	-	-	-	-
In-country staff costs	-	118,061	118,061	106,868
UK office salaries	17,877	-	17,877	26,102
Rent, rates and insurance	5,372	-	5,372	5,289
Telephone	1,163	681	1,844	1,525
Computer	101	141	242	128
Sundry expenses	302	311	613	62
Printing postage, stationery, advertising	540	2,003	2,543	2,793
Bank charges and interest, exchange rate gains and losses	7	3,244	3,251	4,012
Depreciation – Equipment	640	24	664	527
(Profit)/Loss on disposal of assets	-	50	50	-
Motor, travel, insurance and subsistence	29	19,126	19,155	25,313
Donations to Affiliates	-	-	-	50
	<u>26,060</u>	<u>170,761</u>	<u>196,821</u>	<u>218,375</u>

Notes To The Financial Statements – continued

For the year ended 31 October 2018

	2018			2017
	Unrestricted	Restricted	Total	Total
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
	£	£	£	£
9. Other expenditure - governance				
UK Salaries	-	-	-	-
Room hire	-	-	-	-
Independent examination fees	536	-	536	523
Book keeping and payroll service	447	-	447	558
Trustee expenses	84	-	84	-
UK staff and trustee travel	-	-	-	-
Other professional fees	-	642	642	-
Sundry expenses	147	43	190	35
	<u>1,214</u>	<u>685</u>	<u>1,899</u>	<u>1,116</u>

	<u>2018</u>	<u>2017</u>
	£	£
10. Net income before transfers		
This is stated after charging:-		
Depreciation of owned fixed assets	671	533
Independent Examination fees	536	523
Accountants' remuneration - other services	447	558
	<u>1,654</u>	<u>1,614</u>

	<u>2018</u>	<u>2017</u>
	£	£
11. UK Staff and Trustee Remuneration		
The average number of UK employees:	1.6	2
	£	£
Gross salaries	17,767	26,365
Employers NIC	-	-
Employers pension contributions	58	-
	<u>17,825</u>	<u>26,365</u>

The above relates to full time UK based, working equivalents allocated accordingly between direct charitable expenditure, fundraising, and administration costs. There are no employees with emoluments above £60,000 per annum.

No remuneration was received by the trustees during the year.

Trustees expenses totalling £84 (2017 - £Nil) were paid during the year to trustees for expenses relating to trustees duties.

Notes To The Financial Statements – continued

For the year ended 31 October 2018

	<u>Equipment</u> £	<u>Total</u> £
12. Tangible fixed assets		
Cost		
At 1 November 2017	5,965	5,965
Additions	1,350	1,350
Disposals	(330)	(330)
At 31 October 2018	<u>6,985</u>	<u>6,985</u>
Depreciation		
At 1 November 2017	3,958	3,958
Disposals	(280)	(280)
Charges for the year	671	671
At 31 October 2018	<u>4,349</u>	<u>4,349</u>
Net Book Value		
At 31 October 2018	<u>2,636</u>	<u>2,636</u>
At 1 November 2017	<u>2,007</u>	<u>2,007</u>

Some items of equipment relate to restricted funds.

	<u>2018</u>			<u>2017</u>
	<u>Unrestricted</u> <u>Fund</u> £	<u>Restricted</u> <u>Fund</u> £	<u>Total</u> £	<u>Total</u> £
13. Debtors				
Trade debtors	232	-	232	126
Prepayments	3,587	19,683	23,270	9,695
	<u>3,819</u>	<u>19,683</u>	<u>23,502</u>	<u>9,821</u>

14. Creditors: Amounts falling due within one year

UK Social Security and Taxes	112	-	112	63
Overseas Social Security and Taxes	-	-	-	-
Accruals and deferred income	2,605	(1,430)	1,175	6,367
	<u>2,717</u>	<u>(1,430)</u>	<u>1,287</u>	<u>6,430</u>

15. Analysis of net assets between funds

Fixed assets	2,585	51	2,636	2,007
Current assets	33,615	206,453	240,068	230,574
Current liabilities	(2,717)	1,430	(1,287)	(6,430)
	<u>33,483</u>	<u>207,934</u>	<u>241,417</u>	<u>226,151</u>

Notes To The Financial Statements – continued

For the year ended 31 October 2018

16. Movement in funds	Opening	Movement in Resources			Total Funds
	Funds	Incoming	Outgoing	Transfers	£
	£	£	£	£	
Unrestricted funds	33,406	34,034	(27,777)	(6,180)	33,483
Restricted funds	192,745	181,600	(172,591)	6,180	207,934
	<u>226,151</u>	<u>215,634</u>	<u>(200,368)</u>	-	<u>241,417</u>

17. Restricted funds analysis	Opening	Movement in Resources			Total
	Funds	Incoming	Outgoing	Transfers	£
	£	£	£	£	£
Cameroon General	6,189	(26)	(13)	(6150)	-
Cameroon Mother & Child Services	5,531	-	(3,098)	(2,433)	-
Cameroon PMTCT Nkwen	2,001	-	(33)	(1,968)	-
Cameroon SEC	-	-	-	-	-
Gambia SEC	-	-	-	-	-
Gambia Brikama Obstetric Programme	3,853	315	(21,839)	23,095	5,424
Liberia SEC	114	-	-	-	114
Liberia Obstetric Drugs	-	-	-	-	-
Liberia Obstetric Training	5,965	52,429	(110,394)	93,019	41,019
Liberia Neonatal Programme	23,473	25,358	(32,102)	6,676	23,405
ALSG Holding Fund*	75,572	68,845	-	(73,800)	70,617
Books	20,338	590	(1,828)	(2,000)	17,100
E-Library	971	-	-	(971)	-
MCAI Project Funds	22,255	9,089	(3,284)	22,195	50,255
Allocated Funds**	26,483	25,000	-	(51,483)	-
	<u>192,745</u>	<u>181,600</u>	<u>(172,591)</u>	<u>6,180</u>	<u>207,934</u>

*The ALSG Holding Fund comprises sales of the Paediatric E-Library (as part of the ALSG's APLS course), which are paid to MCAI on a monthly basis.

** A funding recording system that ringfences grants and donations for specific projects until they have been fully spent.

