mothers2mothers (UK) Limited

TRUSTEES' REPORT FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

Charity registration number 1119721
Company registration number 5981078

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2012

Full name and registered address of mothers2mothers

mothers2mothers (UK) Ltd
3 Cromwell Place
London
SW7 2JE

Charity Registration Number: 1119721
Company Registration Number 5981078

Trustees:
Derek Lubner
Carl Wesley Stewart
Kathryn Torres (Resigned 20.12.12)

Senior member(s) of staff
Emma France European Director

Solicitors:
Farrer & Co LLP
66 Lincoln's Inn
Fields
London
WC2A 3LH
United Kingdom

Bankers:

CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4JQ

Independent examiner:

N J Kelsey
Saffery Champness
Lion House
Red Lion Street
London
WC1R 4GB

STRUCTURE GOVERNANCE AND MANAGEMENT

Governing Document

mothers2mothers UK ("mothers2mothers (UK) Limited") is a dual registered charitable company limited by shares, which was initially incorporated on 27 October 2006 and registered as a charity on 19 June 2007. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association.

Since its initial incorporation the organisation filed to change its name, from the Friends of Mothers' Programmes (UK) Limited to mothers2mothers (UK) Limited, effective with Companies House on 9 June 2011.

Trustees

The Trustees who served during the year are set out on page 1. The power of appointing new trustees is vested in the existing Trustees of mothers2mothers UK, with notice being given to mothers2mothers International. As of the 20th of December 2012 Kathryn Torres voluntarily resigned as a mothers2mothers UK board member. mothers2mothers (m2m) would like to thank her for her exemplary service and commitment to m2m.

Any new Trustee will be chosen by the existing trustees for the skills and experience they can bring to the mothers2mothers UK and any training needs will be assessed on an individual, case by case basis.

Organisational Structure

Trustees are in regular communication and are responsible for approving strategic direction and policy of mothers2mothers UK.

The material day to day decisions for mothers2mothers UK are made by a small team based in London, UK. This team is headed by the European Director, Emma France. The other members of UK office staff comprise of Simon Barson and Annabel Grieve, both Development Officers, who were appointed during 2012. The office was also supported by interns, including Bérengére Pictet.

A governance review is being undertaken and the structure of the group is being reviewed with action planned for 2013.

Risk Management

The Trustees have considered the major risks on a group basis and confirm the systems and procedures are being established to mitigate those risks. As part of the governance review noted above, risks attributable to mothers2mothers UK as a standalone entity will be considered.

OBJECTIVES

mothers2mothers UK

mothers2mothers UK's main aim is to support the prevention of mother-to-child transmission of HIV and works towards this by associating with and promoting the work of mothers2mothers South Africa (SA) ("the Organisation"), an international non-governmental organisation with operations and affiliated operating entities in seven countries in sub-Saharan Africa (South Africa, Kenya, Lesotho, Malawi, Swaziland, Uganda, Tanzania). Through peer education and psycho-social support, m2m works to support the prevention of mother-to-child transmission (PMTCT) of HIV. m2m is also enhancing the scope of its work to provide education, support, and referrals on a wide range of health issues important to our clients and critical to improving their overall health, including TB, cervical cancer, nutrition, male circumcision, gender-based violence, malaria, reproductive health and family planning.

mothers2mothers SA is not part of a group with mothers2mothers UK and the relationship between the entities is purely operational.

mothers2mothers SA

To more accurately encompass the breadth and aims of their work m2m have revised both their vision and mission statements. m2m's revised vision and mission are:

Vision: We believe in the power of women to eliminate paediatric AIDS and create health and hope for themselves and their babies, families, and communities.

Mission: Our mission is to impact the health of mothers by putting them at the heart of improving reproductive, maternal newborn and child health. Our Mentor Mother Model empowers mothers living with HIV, through education and employment, as role models to help other women access essential services and medical care.

The Organisation seeks to achieve its goals by targeting the unacceptable gap between the increasing availability of prevention of mother-to-child transmission (PMTCT) clinical services and the lack of uptake of these services by women who need them most. Evidence and experience prove the access to clinical PMTCT intervention alone does not sufficiently address this gap, and that a more holistic programme of education and psycho-social support also needs to be in place for pregnant women, their partners, families and communities, through pregnancy, labour, delivery and breastfeeding. Only through twinning access to basic clinical services with these essential support initiatives will the number of infants born with HIV be reduced in the quickest, most efficient and cost effective way possible.

The Organisation's objectives for the year were to continue their work with governments, local partners, and communities to further their goals:

Goal 1 – PMTCT: To prevent babies from contracting HIV through mother-to-child (MTC) transmission. The organisation will work with mothers during and after pregnancy, in places where PMTCT medical interventions are available, but where there is stigma, lack of education, and critical barriers to the PMTCT uptake and adherence.

Goal 2 – Healthy Mothers and Infants: To keep HIV positive mothers and their infants alive and healthy by increasing their ability to access health and sustaining medical care. The Organisation will continue to educate and support our clients through the antenatal and post-natal delivery period, and connect them with appropriate medical and social services to ensure their and their infants lifelong health.

Goal 3 – Empowerment: To empower and enable the mothers to live positively with HIV. The Organisation will continue to recruit, train, pay and actively support HIV positive mothers as knowledgeable, positive role models, to mentor and educate other HIV positive pregnant women about PMTCT.

Through the successful achievement of its main goals, the Organisation's work directly addresses 4 of the 8 United Nations Millennium Development Goals: Promoting Gender equality and empowering women (MDG no. 3); Reducing child mortality (MDG no. 4); Improving Maternal Health (MDG no.5) and Combating HIV/AIDS, Malaria and other diseases (MDG no. 6).

mothers2mothers UK will therefore continue to raise funds in order to further promote the expansion of the m2m's programme work in sub-Saharan Africa and, by extension, the advancement of education and relief of poverty. mothers2mothers UK is confident that it will continue to achieve its goals by supporting the work of the Organisation.

Public Benefit

The Charity Commission in its "Charities and Public Benefit Guidance" requires that there are two key principles to be met in order to show that an organisation's aims are for the public benefit: first, there must be an identifiable benefit and secondly that the benefit must be to the public or a section of the public.

The Trustees confirm that in setting mothers2mothers UK's objectives and planning its activities, they have given careful consideration to the Commission's guidance on public benefit and consider each year how it meets the public benefit objectives outlined in the Charities Act 2011.

The Trustees are satisfied that mothers2mothers UK meets the requirements and conforms with the Act's definition of a charity meeting all elements of the two key principles.

Grant Making Policy

mothers2mothers UK makes grants to the Organisation in furtherance of its charitable objectives. The grants are made in accordance with both the reserve policy of mothers2mothers UK and the Organisation's needs.

Volunteers

mothers2mothers UK would like to take the opportunity presented in the Trustee Annual Report to recognise the indispensable contribution made by volunteers in 2012. mothers2mothers UK is excited to have seen the growth in our community of supporters, "Friends of mothers2mothers" (previously known as "mothers4mothers2mothers"). The tireless efforts of this dedicated group in organising and attending fundraising events throughout the year should not be underestimated.

ACHIEVEMENTS AND PERFORMANCE

Following on from the successful 2011 launch of mothers2mothers UK as a full time permanently staffed European presence, the Trustees saw 2012 as a crucial year of consolidation. It was an opportunity to not only focus on and nurture the external stakeholder relationships forged in 2011, but also to cement the long term, sustainable future of mothers2mothers UK.

Despite the challenging fundraising environment, and focus on consolidation, mothers2mothers UK was still able to deploy £280,366 (2011: £338,408) to fund the various programmes supported by the Organisation.

mothers2mothers UK continued to strengthen relationships with corporate and non-profit partners, while also further develop its Major Donor giving, with the launch of the mothers2mothers Global Ambassador group (m2m Global Ambassadors). The launch of the m2m Global Ambassadors was held by a long-term supporter and newly committed m2m Global Ambassador, Susan Gibson. The group's formation creates a reliable, unrestricted revenue source for mothers2mothers UK, with Ambassadors making a three-year commitment, enabling mothers2mothers UK to plan with an increased degree of certainty. mothers2mothers UK also developed relationships with bi-lateral funding agencies, including the UK Government Department For International Development.

In addition, mothers2mothers UK started to develop funding opportunities in Europe. The UK office was instrumental in facilitating and managing a new relationship with the Swedish Postcode Lottery. The result of this relationship was a 3 million Swedish Krona (£281,192 at date of receipt), one year grant, made directly to mothers2mothers SA. This and other relationships built by the UK office illustrate that mothers2mothers UK's impact is far greater than is necessarily reflected in its revenue or resources expended figures.

mothers2mothers UK's fundraising efforts outlined above, were also complimented with other advocacy events and speaking opportunities. One such opportunity was the event held at the South African High Commission, hosted by the South African High Commissioner. It was generously supported by LGT Venture Philanthropy and was held to celebrate mothers2mothers' 10th Anniversary. The evening involved guest speakers such as, HE Ambassador to Angola, m2m Mentor Mother Mpho Mbhele, and Founder and Medical Director of mothers2mothers, Dr Mitch Besser.

During the year the European Director was also invited to speak to the European based philanthropic network, Giving Women.

The UK office also shored up its long term capacity to fundraise, investing in two full time staff to support the European Director's efforts.

2012 was also an important year for m2m. As reflected in the revised vision and mission, it was a year of change. It saw the appointment of a new President and CEO Frank Beadle de Palomo, who was tasked with expanding both the breadth and the depth of the services provided by m2m.

m2m had long realised that if it wanted to further and realise a HIV-free generation, the organisation would have to redefine its scale, by weaving Mentor Mothers' services into the fabric of national healthcare systems across Africa. Through integration, m2m can strengthen the systems and improve overall quality. In 2012, m2m took a major step closer to achieving this when the governments of Kenya and South Africa, with m2m's technical assistance, began establishing national Mentor Mother programmes to offer health education and mentoring services.

Kenya Mentor Mother Program (KMMP)

In November 2012, the Kenyan Ministry of Health officially launched the Kenya Mentor Mother Program (KMMP), becoming the first nation to take the Mentor Mother model to scale by integrating it into its healthcare system. Modelled on mothers2mothers' Mentor Mother programme, providing service in Kenya since 2008, the KMMP is designed to address the challenges that HIV-positive women face when trying to access and adhere to available and essential treatment.

The Kenyan government has recognised the important role Mentor Mothers play in helping women overcome barriers to treatment such as: stigma and discrimination, lack of accurate information, low male involvement, and understaffed health facilities. It has therefore taken the lead in developing national standards and tools to guide partner organisations to employ and train mothers living with HIV as Mentor Mothers to work at health facilities throughout the country. Adding Mentor Mothers to the healthcare team will allow doctors and nurses to focus on providing clinical care and will provide all pregnant women and new mothers with peer education and psychosocial support.

"As integrated members of the healthcare team, Mentor Mothers become leaders and role models, inspiring and educating clients to make healthy choices for themselves and their families" (KMMP national guidelines).

The KMMP is the centrepiece of Kenya's new national eMTCT (elimination of mother-to-child transmission) framework, developed to achieve the global goals of eliminating new HIV infections among children by 2015 and keeping their mother alive.

South Africa

m2m is close to establishing a national Mentor Mother programme in South Africa under a new cooperative agreement with USAID signed in 2012 that is guided by strategic discussions with the South African government. In 2013, m2m is assisting with the development of Mentor Mother programmes that will be run by local authorities in at least seven priority districts spread across five provinces.

Once fully implemented, South Africa's new Mentor Mother Programme will operate in 600 sites, twice as many as m2m previously operated in the country. In addition to providing services to PMTCT of HIV, the programme will expand to cover a wider range of health issues, including TB screening, infant immunizations, family planning, support for HIV-negative women and education about cervical cancer screening, gender-based violence and infant nutrition.

First Hand Experience

Although change was ever present throughout the organisation, it is reassuring to hear the same encouraging stories from the stakeholders closest to m2m's programmatic work.

Ministry of Health official:

"Since mothers2mothers programme came into the country, we have seen much improvement. The programme has done very well for the country, and we are very, very proud of the programme." – Minister of Health, Swaziland.

Health care work:

"The wisdom that m2m programme has put towards empowering our HIV-positive women and their families are beyond the health care workers expectation. We have seen reduction of stigma and discrimination hence improvement of adherence, the government should ensure the mentor programme is rolled out in all health centres." – Former sister in charge, Kariobangi, Kenya

Site Coordinator:

"Before becoming a Mentor Mother, I was neglected and known to be sick, useless and just waiting to die. I am now seen as a role model in the community and people call me "Musawo" (health worker) because I work alongside health workers who refer to me clients for education and support." – Site Coordinator, Kidera Health Centre IV, Uganda

Mentor Mother:

"As Mentor Mothers, we are lifesavers to our patients because they learn not to be afraid of HIV, and instead see it as a second lease on life." – Mentor Mother, South Africa

Client:

"Thanks to m2m I did not give HIV to my baby. Without m2m, I do not know how my child would have been. The message to my friends is that when you are pregnant, do not get worried, go get tested because m2m will help you through the process and after the baby is born." – m2m client in Malawi

FINANCIAL REVIEW

Results for the year

Income for the 12 months to 31 December 2012 totalled £320,690 (2011: 608,391). This figure excludes the one year grant from the Swedish Postcode Lottery of 3 million Swedish Krona (£281,192 at date of receipt) made directly to mothers2mothers SA, which the UK office was instrumental in obtaining. The reduction in income compared to the 2011 figures can be attributed to the front loaded nature of Comic Relief funding, received in 2011 and 2012 and the longer-term strategic decision to hold a biennial major fundraiser event, to reduce risk of creating donor fatigue. Despite revenue being down, charitable expenditure through grant payments made to mothers2mothers SA stayed relatively buoyant, totalling £275,347 (2011: £309,839).

Reserves carried forward totalled £84,618 (2011: £192,138). Of these funds, £66,667 (2011: £Nil) was contributable to restricted funds which were spent in early 2013.

Investments

In order to achieve mothers2mothers UK's purposes it distributes the majority of unrestricted reserves in the way of grants to mothers2mothers SA. This is in accordance with mothers2mothers SA's needs, and therefore negates the need or potential for investments in the UK.

Plans for Future Periods

mothers2mothers UK plans to continue to support the work of the Organisation throughout sub-Saharan Africa, supporting the continued expansion of the model to target countries with high disease burden and prevalence, such as Nigeria.

In 2013 mothers2mothers UK will look to grow the individual giving mechanisms it launched in 2012, such as the Global Ambassador Group, while also diversifying its geographical fundraising reach in Europe. Additionally, mothers2mothers UK plans to develop its supporter base with community and corporate led fundraising challenge events, while also further developing its relationships with new and existing trusts and foundations.

Reserves Policy

The board and management have determined that "free" reserves should normally be maintained to cover three to six months of the organisation's operational costs. This amount was identified as sufficient to provide adequate cash flow and unrestricted funding to meet a reasonable range of contingencies and risks. The board and management recognise that exceptional circumstances may arise that warrant the temporary use of the organisation's unrestricted funds reserves in excess of these amounts. Unrestricted reserves should, nonetheless, not be allowed to fall below the equivalent of three months of operational costs.

Reserves for 2012 decreased below the recommended minimum to £17,951 due to the timing of certain anticipated fourth quarter revenues, which were not officially received until the first quarter of 2013.

Trustees Responsibilities

The trustees (who are also directors of mothers2mothers UK for the purposes 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 that give a true and fair view of the state of affairs of mothers2mothers UK and of the incoming resources and application of resources, including the income and expenditure of mothers2mothers UK 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 estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of mothers2mothers UK 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.

By order of the Trustees

TRUSTEE NAME: Carl Wesley Stewart
DATE: 11 September 2013

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2012

I report on the accounts of the company for the year ended 31 December 2012, which are set out on pages 10 to 17.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales (ICAEW).

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 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 the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with 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 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

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

NJ Kelsey
Chartered Accountant

Saffery Champness
Chartered Accountants
Statutory Auditors

Lion House
Red Lion Street
London
WC1R 4GB

12 September 2013

MOTHERS2MOTHERS (UK) LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	Unrestricted funds £	Restricted funds £	2012 £	2011 £
Incoming resources					
Incoming resources from Generated funds					
Voluntary income					
Donations and legacies	2	248,044	66,667	314,711	400,991
Activities for generating funds					
Income from events		5,911	-	5,911	207,382
Investment income					
Bank interest		68	-	68	18
Total incoming resources		254,023	66,667	320,690	608,391
Resources expended					
Cost of generating funds					
Fundraising	3	142,416	-	142,416	125,287
Charitable activities					
Supporting mothers2mother SA	3	280,366	-	280,366	338,408
Governance costs	5	5,428	-	5,428	3,750
Total resources expended		428,210	-	428,210	467,445
Net (outgoing)/incoming resources before transfers		(174,187)	66,667	(107,520)	140,946
Transfers between funds		-	-	-	-
Net incoming resources for the year		(174,187)	66,667	(107,520)	140,946
Reserves brought forward		192,138	-	192,138	51,192
Reserves carried forward	10	17,951	66,667	84,618	192,138

All amounts relate to continuing activities.

There were no gains or losses other than the net movement on funds stated above.

The notes on pages 12 to 17 form part of these financial statements.

MOTHERS2MOTHERS (UK) LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2012

	Note	2012		2011	
		£	£	£	£
Fixed assets					
Tangible fixed assets	7		2,042		1,072
Current assets					
Debtors	8	9,206		93,919	
Cash at bank and in hand		79,194		240,964	
		88,400		334,883	
Creditors: amounts falling due within one year	9	(5,824)		(143,817)	
Net current assets			82,576		191,066
Net assets			84,618		192,138
Funds					
Unrestricted funds	10		17,951		192,138
Restricted funds	11		66,667		-
			84,618		192,138

For the year ended 31 December 2012 the company was entitled under section 477 of the Companies Act 2006 relating to small companies.
No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.
The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

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

Approved by the Board of Trustees on 11 September 2013 and signed on its behalf by:

Carl Wesley Stewart

The notes on pages 12 to 17 form part of these financial statements.

Company registration no: 5981078

PUBLIC

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (SORP 2005) issued in March 2005, applicable accounting standards and the Companies Act 2006.

1.2 Incoming resources

Voluntary income is recognised where there is entitlement, certainty of receipt and where the amount can be measured with sufficient reliability.

Income generated from fundraising events and investment income is recognised when earned.

Donated goods or services received are included in the Statement of Financial Activities as both income and expenditure at a value estimated by the Trustees based on open market value.

1.3 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing mothers2mothers UK to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable are payments made to mothers2mothers SA in furtherance of the charitable objectives of the mothers2mothers UK. Grants are accounted for when either the recipient has a reasonable expectation that they will receive the grant and the Trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and the condition attaching to the grant is outside the control of the Trustees.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

1.3.1 Cost of generating funds

These relate to those specific costs incurred in organising and staging fundraising events and seeking voluntary contributions together with attributable support costs.

1.3.2 Charitable activities

mothers2mothers UK makes grants as noted above in 1.3 and these, along with the direct costs, are allocated to the charitable activity as incurred. Support costs are the indirect costs of carrying out this activity and are allocated on the basis of total spend on the activity in the year.

1.3.3 Governance

This represents all costs involving public accountability of the mothers2mothers UK and its compliance with regulation and good practice. These costs include costs related with statutory audit and constitutional requirements together with attributable support costs.

1 **Accounting policies** (Continued)

1.4 **Tangible fixed assets**

The cost of tangible fixed assets is their purchase cost together with any incidental costs of acquisition. Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful lives. The rate applicable is:

Office equipment	33% straight line

1.5 **Funds**

General funds

General funds are donations and other incoming resources receivable or generated for the objects of the mothers2mothers UK without specified purpose.

Restricted funds

Restricted funds are specifically donated to the Charity where the donor has specified they be used for the benefit of a specific project or for a particular administrative cost.

2 Donations and legacies

	Unrestricted funds £	Restricted funds £	Year ended 31.12.12 £	Year ended 31.12.11 £
Donations	248,044	66,667	314,711	400,991
	248,044	66,667	314,711	400,991

3 Resources expended

	Direct costs £	Support costs £	Year ended 31.12.12 £	Year ended 31.12.11 £
Fundraising	3,315	139,101	142,416	125,287
Supporting mothers2mothers SA	275,347	5,019	280,366	338,408
Governance	5,428	-	5,428	3,750
	284,090	144,120	428,210	467,445

Fundraising support costs include support costs associated with general fundraising activities, such as Corporate Fundraising, applications to Trusts & Foundations, Major Donor and Bi-lateral funding sources cultivation, and Community Fundraising.

Direct costs for supporting mothers2mothers SA represent grants paid directly to the Organisation during the year.

4 Allocation of support costs

The breakdown of support costs and how they were allocated between event fundraiser costs, charitable activities and governance is shown in the table below:

	Fundraising £	Supporting m2m SA £	Governance £	Total £
Salaries and related costs - time basis (Note 6)	112,328	5,019	-	117,347
Office overhead – usage	26,773	-	-	26,773
	139,101	5,019	-	144,120

5 Governance

	General funds £	Restricted funds £	Year ended 31.12.12 £	Year ended 31.12.11 £
Auditors fees – audit	5,428	-	5,428	553

6 Staff costs

	Year ended 31.12.12 £	Year ended 31.12.11 £
Wages and salaries	105,461	52,416
Social security costs	11,886	5,086
	117,347	57,502

One employee earned more than £60,000 per annum in the financial year (2011: none).

None of the Trustees of mothers2mothers UK were remunerated for their time or reimbursed for expenses incurred in carrying out their duties (2011: none).

	Year ended 31.12.12 Number	Year ended 31.12.11 Number
The average number of persons employed by mothers2mothers UK during the period in the UK	3	1

7 Tangible fixed assets

	Office equipment and computers £
Cost:	
At 1 January 2012	1,288
Additions in the year	1,898
At 31 December 2012	3,186
Depreciation:	
At 1 January 2012	216
Charge for the year	928
At 31 December 2012	1,144
Net book value:	
At 31 December 2012	2,042
At 31 December 2011	1,072

All fixed assets are used for charitable purposes.

8 **Debtors**

	Year ended 31.12.12 £	Year ended 31.12.11 £
Gift aid receivable	-	60,919
Other debtors and prepayments	9,206	33,000
	9,206	93,919

9 **Creditors: Amounts falling due within one year**

	Year ended 31.12.12 £	Year ended 31.12.11 £
Due to mothers2mothers SA	392	129,634
Accruals and other creditors	5,432	14,183
	5,824	143,817

10 **Unrestricted funds**

	1 January 2012 £	Incoming funds £	Outgoing funds £	31 December 2012 £
Unrestricted funds				
General funds	192,138	254,023	(428,210)	17,951
	192,138	254,023	(428,210)	17,951

11 Restricted funds

	1 January 2012 £	Incoming funds £	Outgoing funds £	31 December 2012 £
Comic Relief	-	46,667	-	46,667
LJC Fund	-	20,000	-	20,000
		66,667	-	66,667

Monies received from Comic Relief were restricted to spend on core operation systems at the mothers2mothers SA.
Monies received from the LJC Fund were restricted to spending for mother2mothers Kenya operation. Those amounts were spent in early 2013.

12 Related party transactions

mothers2mothers UK has taken the exemption conferred within FRS 8 not to disclose transactions with other members of the group of which it is a wholly owned subsidiary. The financial statements of the m2m International can be obtained upon request by writing to:

Robin Smalley, mothers2mothers International Inc, 7441 W. Sunset Blvd. #205 Los Angeles, California 90046, USA.