



**mothers2mothers (UK) Limited**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

mothers2mothers (UK) Limited

Charity registration number: 1119721  
Company registration number: 5981078

## CONTENTS

CHARITY INFORMATION	1
TRUSTEES' REPORT	2 - 11
REPORT OF THE INDEPENDENT AUDITOR	12 - 13
STATEMENT OF FINANCIAL ACTIVITIES	14
BALANCE SHEET	15
NOTES TO THE FINANCIAL STATEMENTS	16 - 21

**CHARITY INFORMATION**

---

**Full name and registered address:**

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

**Charity Registration Number: 1119721**

**Company Registration Number: 5981078**

**Trustees:**

Derek Lubner  
Carl Wesley Stewart  
Carolina Manhusen-Schwab (appointed 18 December 2013)

**Senior member 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

**Statutory auditor:**

Saffery Champness  
Lion House  
Red Lion Street  
London  
WC1R 4GB

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

---

**STRUCTURE GOVERNANCE AND MANAGEMENT**

**Governing Document**

mothers2mothers (UK) Limited (hereafter known as 'mothers2mothers(UK)') 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). On 18 December 2013, Carolina Manhusen-Schwab was appointed as a Trustee and is already a full and active member of the UK Board of Trustees.

The organisation is continuing to look to recruit new Trustees to the Board. Any new Trustee will be chosen by the existing Trustees for the skills and experience they can bring to mothers2mothers (UK) and any training needs will be assessed on an individual, case by case basis.

**Organisational Structure**

The Trustees are in regular communication both between themselves and with the European Director and are responsible for approving the strategic direction and policies 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.

mothers2mothers (UK) is part of the mothers2mothers 'family' which consists of three separate entities, each located in a different geographical location; mothers2mothers (UK) which is based in London, mothers2mothers South Africa SA ("mothers2mothers SA"), based in Cape Town, South Africa, and mothers2mothers International Inc. ("mothers2mothers International), based in Los Angeles, USA. These three entities together are known as the mothers2mothers family and are collectively referred to as "mothers2mothers". The relationship between the three entities is purely operational.

**Risk Management**

The Trustees have considered the major risks posed to the organisation on both a combined and individual entity basis and confirm that systems and procedures have been established and continue to be developed as required to mitigate those risks. As part of this review, risks attributable to mothers2mothers (UK) as a standalone entity have been considered. A formal risk register has been created which includes documentation of the controls in place to mitigate the risks identified.

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

---

**OBJECTIVES**

**mothers2mothers (UK) Limited**

mothers2mothers (UK)'s main aim is to support the prevention of mother-to-child transmission of HIV by raising funds in Europe. It works towards this by associating with and promoting the work of mothers2mothers SA, 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 and Tanzania until September 2013). Through peer education and psycho-social support, mothers2mothers works to support the prevention of mother-to-child transmission (PMTCT) of HIV. mothers2mothers 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' Vision and Mission statement**

mothers2mothers' vision and mission statement are as follows:

**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.

mothers2mothers 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 program 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.

mothers2mothers' objectives for the year were to continue their work with governments, local partners, and communities to further their goals as follows:

- to eliminate HIV infections in children
- to reduce maternal and child mortality
- to advance healthy development of newborns and children
- to improve the health of women, their partners, and families
- to promote universal access to reproductive health and family planning
- to reduce stigma and discrimination
- to promote gender equality
- to support livelihood development for families and communities.

Through the successful achievement of its main goals, mothers2mothers' 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 combatting HIV/AIDS, Malaria and other diseases (MDG no. 6).

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

---

mothers2mothers (UK) will therefore continue to raise funds in order to further promote the expansion of the mothers2mothers 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 mothers2mothers.

**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, 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 Charity 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 sub awards to mothers2mothers SA in furtherance of its charitable objectives. The sub awards are made in accordance with both the reserve policy of mothers2mothers (UK) and mothers2mothers' needs.

**Volunteers**

mothers2mothers (UK) would like to take the opportunity presented in the Trustees' Report to recognise the indispensable contribution made by volunteers in 2013. mothers2mothers (UK) is excited to have seen a continued growth in our community of supporters, "Friends of mothers2mothers" (previously known as "mothers4mothers2mothers"). We do not underestimate the tireless efforts of this dedicated group of people in organising, attending and supporting our fundraising events throughout the year, and extend our heartfelt thanks to them all.

We would also like to thank a number of individuals who worked for us as interns during the year and provided not only their time but their incredible enthusiasm to helping us achieve our goals. We are also very grateful to Victoria Wall and Victoria Wall Associates for their support of the organisation.

**ACHIEVEMENTS AND PERFORMANCE**

Following the successful launch of mothers2mothers (UK) in 2011, when a full time, permanently staffed European presence was established and then a year of consolidation in 2012, the Trustees and management team have been excited to see the growth that has taken place during 2013. This has been driven by a mixture of both restricted and unrestricted income.

These activities resulted in the granting of sub awards to mothers2mothers SA totalling £201,521 (2012: £275,347) to help fund the various programmes supported by mothers2mothers.

By far the largest income generator for mothers2mothers (UK) in 2013 was a large, fundraising event held in October 2013. This was attended by nearly 200 guests and generated almost £300,000 in income directly into the UK office as well as a further £70,000 donation made directly to mothers2mothers International deriving from this event. We are extremely grateful to Annie Lennox for headlining the event, and to our presenters Muriel Gray and Richard E. Grant as well as all of our other guests, contributors and supporters who attended and supported the event, and helped to make it such a great success and a thoroughly enjoyable evening.

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

---

mothers2mothers (UK) continued to strengthen its relationships with corporate and non-profit partners, while also further developing its Major Donor giving. Having launched the mothers2mothers Global Ambassador group in 2012, this group has grown steadily over the year, providing the charity with a reliable and predictable source of unrestricted revenue. We held a dinner at the RAC Golf Club during the year for all our Global Ambassadors which was an enjoyable evening for all those who attended. It is hoped that this group will continue to expand over the coming months and years and mothers2mothers (UK) would like to take this opportunity to thank all those involved.

A number of other community led fundraising events took place during the year. Highlights included 'Night Rider', a night time sponsored cycle ride through London, and "make>money", a digital thrift sale on Ebay. The make>money campaign saw supporters sell items on behalf of mothers2mothers or donate items to mothers2mothers' official store. It garnered support from a string of celebrities including Annie Lennox, Colin Firth, Livia Firth, Emma Bunton and Mollie King. The campaign raised over £10,000 whilst also gaining considerable publicity with a wide range of online media outlets including The Daily Mail Online and Hello Magazine.

2013 was also seen by the Trustees as a time to further build on the work done in 2012 in nurturing and growing external stakeholder relationships and to start the next phase in planning the steady, organic growth envisaged for the European office. This resulted in two further full time employees joining the UK team during the year as well as a dedicated finance officer working on a part time basis. We have also received fantastic support from a number of European donors, specifically those based in Switzerland where our donor base is growing, and are very grateful to all of those involved.

Restricted income was received from four sources: Comic Relief, bet365, LGC Fund and from two major donors for the creation of a promotional video which is now being used across the organisation to both educate and help future fund raising efforts.

In addition, mothers2mothers (UK) provided invaluable support to mothers2mothers SA during a lengthy and complex grant application process with the Department for International Development (DFID). This resulted in the awarding of a 3 year grant totalling £3,999,989 over its duration which is being received directly into mothers2mothers SA of which just over £1million was received by mothers2mothers SA in 2013. The European Director, along with other senior members of the management team of mothers2mothers, also spent considerable time in 2013 growing other institutional relationships, such as with EJAF, LGT and VITOL, as well as performing an advocacy role in raising awareness of the wider mothers2mothers organisation through attending conferences and meetings.

mothers2mothers (UK) also led on the development of organisational communication assets through a pro-bono relationship fostered with global advertising agency, BBH. The project involved the redevelopment of mothers2mothers' global website ([www.m2m.org](http://www.m2m.org)) and the production of two video assets, 'A World Apart' and 'A World with mothers2mothers'. 'A World Apart' was directed by the award winning Martin De Thurah and was edited by The Mill. It looked to place the issues facing women in sub-Saharan Africa in a western context. 'A World with mothers2mothers' documented the impact of mothers2mothers' work through the story of Denise, a Mentor Mother. The video assets were central to a wider advocacy campaign that was launched for World AIDS Day, 'Birth Should Be About Life'. The campaign was supported by a string of celebrities, blogs and foundations, gaining coverage in mainstream media including Guardian Development Online and the Huffington Post UK. Throughout the duration of the campaign the video assets received a total of 57,947 views with a reach of over 3.5 million people on Twitter. They will continue to have enduring use.

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

---

**Extending the reach of Mentor Mothers into the community**

mothers2mothers took an exciting step in 2013, piloting an initiative that expands Mentor Mothers' reach from healthcare facilities into communities. From this position as frontline healthcare providers, they will be able to identify and support pregnant women and new mothers who have not engaged with the health system, and encourage them to seek medical care. Once at the facilities, the women are transitioned to other Mentor Mothers who take them by the hand to ensure that their clinical experience is one that is both effective and nurturing.

The goal of this innovative community-based effort is to address several of the challenges facing all PMTCT (prevention of mother to child transmission) programmes; specifically, convincing women to begin antenatal care in the first trimester of their pregnancy, attend the four antenatal visits recommended by the World Health Organization (WHO), and stay on treatment through their pregnancy, birth, and their child's early years. All of these behaviours are critical to keeping HIV-positive mothers healthy and reducing the risk that they will transmit the virus to their babies.

mothers2mothers' new Community Mentor Mothers (CMM) programme launched at five health facilities in Lilongwe, Malawi, with 13 women recruited and trained to support 50 surrounding villages over the course of a year-long pilot. The CMMs received the same training that is provided to facility-based Mentor Mothers, in addition to new community-focused modules that cover a range of topics, including client and community engagement and household visits.

In order to increase the acceptance and effectiveness of the new CMMs, mothers2mothers held a three-day orientation for 94 Village Chiefs on HIV/AIDS and PMTCT issues. The Chiefs agreed to help sensitise community members on the roles of CMMs, support them as needed, and allocate time for them to speak at all their community meetings.

While the pilot will continue well into 2014, preliminary data indicates that the CMMs have been successful in identifying the homes with pregnant women and new mothers in their villages, and enrolling hundreds of new antenatal and postnatal clients in mothers2mothers' new community-based services.

Furthermore, early indications are that the community engagement strategy may be more successful in reaching male partners than mothers2mothers' facility approach. Increasing involvement of male partners has been a priority for mothers2mothers given their role in making decisions about RMNCH (reproductive maternal, newborn, and child health).



**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

---

Throughout 2014, mothers2mothers will continue to use the learnings of the Malawi pilot to launch similar community engagement programmes in Lesotho, South Africa, Swaziland, and Uganda.

**Option B+**

Community outreach and engagement have become even more essential as the countries in which mothers2mothers operates attempt to implement Option B+. Option B+ is a universal treatment approach supported by the WHO that recommends all HIV-positive pregnant and breastfeeding women start triple anti-retroviral therapy (ART) and continue this therapy for the rest of their lives, irrespective of their CD4 count which measures the stage of their infection.

This treatment option enables significantly more HIV-positive women to access anti-retroviral drugs by providing easy-to-use, single dose combination pills at a wider variety of health facilities, including primary healthcare clinics. This is important because 40-60% of HIV-positive women accessing treatment for PMTCT need long-term treatment for their own health, even after their pregnancy and breastfeeding period are over. Additionally, keeping women on ART after they cease breastfeeding both protects them against HIV transmission in future pregnancies, *and* lowers the risk of infecting HIV-negative male partners. Finally, the implementation of Option B+ has the potential to strengthen broader maternal, newborn, child health services, since ART is provided at the primary healthcare level where families receive services.

The Option B+ treatment protocol was first introduced two years ago in Malawi. Prior to then, developing countries relied upon Options A and B, both of which require ongoing medical oversight as well as operational labs to test for CD4 counts, which determined eligibility for treatment. Although Option B+ was considered an ambitious goal for such a resource-constrained country, the Malawian government recognized that with its shortage of CD4 machines, coupled with its high fertility rates and scarce human resources, it was the best option as it would simplify the delivery of treatment. With this new protocol, as soon as a pregnant woman or breastfeeding mother in Malawi tests positive for HIV, she is immediately initiated on ART for life.

The early results of the Malawi programme have been impressive, indicating a six-fold increase in the number of pregnant or breastfeeding HIV-infected women starting ART. Additionally, PMTCT antiretroviral coverage has increased to greater than 60% nationwide.

However, this success has not been without massive challenges. Research indicates that pregnant and breastfeeding women in Malawi are either significantly less likely to initiate their medications or continue their treatment after their babies are out of danger from transmission than HIV-positive women who are initially put on ART for their own health. This highlights the need for greater education and support to help women commit to treatment for life even after their pregnancy and breastfeeding period is completed.

Mentor Mothers are well placed to support, educate, and encourage women on Option B+. With increased knowledge and support, clients are empowered to make lifesaving health decisions for themselves and their babies. mothers2mothers' annual programme evaluations have demonstrated that the more interactions a client has with Mentor Mothers, the more likely she is to uptake PMTCT services. The new community engagement component is designed to make Mentor Mothers even more effective in reaching women to ensure they access care in a timely manner and stay in treatment for the months and years to come.

In addition to Malawi, Option B+ is now being phased in throughout all of the other countries where mothers2mothers works: Kenya, Lesotho, Western Cape in South Africa, Swaziland, and Uganda.

**Mentor Mothers on the Frontlines of Healthcare**

In 2013, mothers2mothers launched a new initiative to enhance the role of Mentor Mothers as frontline healthcare workers. mothers2mothers' Enhanced Programme Model (EPM) harnesses the strength of mothers2mothers' peer support model by equipping Mentor Mothers to address broader areas of Reproductive, Maternal, Newborn and Child Health (RMNCH).

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

---

While preventing mother-to-child transmission (PMTCT) is still at the core of Mentor Mothers' mission, they now have the technical knowledge and skills to provide education and support services that promote maternal and infant health. The goal of the EPM is to enable mothers2mothers to better respond to the needs of both HIV-positive and HIV-negative pregnant women, new mothers and their families, increase their engagement with the healthcare system, and promote an improved continuum of care for them and their families.

The Enhanced Programme Model was developed in response to the United Nations' recommendations to better integrate HIV interventions with RMNCH, thereby improving the survival of mothers and children. Throughout 2014, m2m will be integrating the enhanced programme at all of its sites, adapting services in collaboration with local Ministries of Health for each environment in which it works.

In addition to its traditional education and support around PMTCT, these are the enhanced services Mentor Mothers now offer:

**Nutrition:**

Good nutrition is especially important for pregnant women, people living with HIV, and infants and young children. However, many women in Africa suffer from chronic undernutrition, leading to increased complications during pregnancy and childbirth. Maternal malnutrition also puts newborns at greater risk, and undernutrition is a significant health concern in children under five.

Mentor Mothers are uniquely positioned to complement clinical and nutrition assessment, counselling and support (NACS) interventions at healthcare centres by providing nutritional education and support to the mothers they mentor.

They are trained to educate clients on the importance of good nutrition, safe food handling, and how they can improve nutrition for themselves and their families, even incorporating cooking demonstrations into support group meetings. Mentor Mothers also pre-screen mothers and infants for malnutrition using mid-upper arm circumference (MUAC) and refer clients to resources within the facility or community for further nutritional assessment, and assistance with food security issues.

**Tuberculosis (TB):**

Pregnant women living with HIV are up to 10 times more likely to be infected with active TB than pregnant women who are HIV negative. Maternal TB is associated with a 2.5-fold increased risk of transmission of HIV from mother to unborn child. The disease can also adversely impact maternal and newborn health, including the death of the mother, and premature births and low birth weight of the baby.

Mentor Mothers educate clients on TB prevention strategies, support adherence to TB treatment, and proactively identify clients who should be referred for TB screening.

**Malaria:**

Malaria is dangerous for pregnant women and children under five, causing complications during pregnancy and increasing the risk of miscarriage, stillbirth, congenital infection, low birth weight, and premature birth. Furthermore, it has been found that HIV-positive pregnant women are more likely to transmit HIV to their babies if they are infected with malaria because of potential damage to the placenta.

Mentor Mothers educate clients on malaria prevention strategies, refer clients for malaria screening, and inform them about facilities distributing insecticide-treated bed nets (ITNs) and indoor residual spray (IRS).

**Neonatal Male Circumcision (NMC):**

With significant reductions of HIV transmission associated with men who are circumcised, neonatal male circumcision maximises the benefits by providing the procedure before a young man becomes sexually active and might be exposed to HIV and other infections. In addition, the process of performing circumcisions during infancy is simpler, and infants heal quicker than adults.

In health systems where NMC is promoted and offered, Mentor Mothers, through their interactions with pregnant women and new mothers, are well placed to educate their clients on the benefits of the procedure, create demand for it, and make referrals to medical facilities that offer it.

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

---

**Cervical Cancer:**

Many women living with HIV are also infected with human papillomavirus (HPV), which can cause cervical cancer. While both HIV-positive and -negative women can contract cervical cancer, those living with HIV are more likely to develop it. Women with HIV have a weakened immune system, which allows HPV to survive in the cervix and cause pre-cancerous lesions. Cervical cancer can be successfully treated in HIV-positive women, especially when diagnosed early.

Mentor Mothers educate women about cervical cancer and refer them for screening. They also provide support so that women return to the clinic to get their pap test results, a critical step to catching this cancer early and treating it successfully.

**HIV-Negative Clients:**

Mentor Mothers have always interacted with many HIV-negative women at the clinics where they work, particularly when leading group health talks prior to the administration of HIV testing. By sharing their experiences of living with HIV, Mentor Mothers can be highly effective in communicating the importance of frequent testing and protection against infection.

Under mothers2mothers' new enhanced programme, Mentor Mothers' interactions with HIV-negative women have been formalised and become more focused. Mentor Mothers ensure that at least one education and support session with their HIV-negative clients covers priority topics, including: HIV re-testing, partner testing, safer sex practices, and the importance of attending regular pre- and post-natal services.

**Gender-based Violence (GBV):**

Nearly half of women living in Africa experience physical or sexual violence. Recent research has established a clear association between domestic violence and HIV, with female victims facing a 50% increased risk of acquiring HIV directly through physical trauma and, indirectly, by limiting their ability to negotiate safe sexual practices, disclose their HIV status, and access services. Addressing gender-based violence is therefore critical to preventing new HIV infections among women.

mothers2mothers is planning an integrated programmatic response, incorporating GBV awareness-raising and referrals into existing Mentor Mother interventions in coordination with partners, organisations, and networks of support already active in the field.

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

---

**FINANCIAL REVIEW**

**Results for the year**

Income for the 12 months to 31 December 2013 totalled £561,767 (2012: £320,690) of which £133,334 relates to restricted income from four sources: Comic Relief, bet365, LGC Fund and an amount from two major donors for the creation of a promotional video (2012: restricted income - £66,667). The increase in total income year on year was in line with management's expectations given the long term strategic plan of holding a major fundraising event biennially. This decision was taken in 2011 in order to maintain interest and excitement in this major event and reduce the risk of creating donor fatigue. The income achieved in 2013 is therefore more comparable with 2011 when £608,391 was achieved in income.

There were net outgoing resources for the year of £29,782 (2012: £107,520).

Unrestricted reserves carried forward at 31 December 2013 totalled £54,836, an increase in unrestricted reserves of £36,885 from £17,951 at the previous year end (total reserves at 31 December 2012 - £84,618).

**Investments**

In line with mothers2mothers (UK)'s purposes, the majority of unrestricted reserves is distributed by way of grants to mothers2mothers SA leaving a small amount in reserves at each year end. This is in accordance with mothers2mothers SA's needs, with mothers2mothers' strategy and in line with a risk-averse investment policy which determines that any small amounts of cash will be held in bank deposits, and therefore negates the need or potential for investments to be held in the UK.

**Plans for Future Periods**

mothers2mothers (UK)'s future plans are broadly twofold. Firstly, to invest in the European office and grow its donor base and revenue in the long term, and secondly, to continue to support the work of mothers2mothers throughout sub-Saharan Africa, including supporting the continued expansion of the model to target countries with high disease burden and prevalence, such as Nigeria.

As part of mothers2mothers (UK)'s strategic plan, the Trustees envisage that 2014 will achieve a lower level of unrestricted income, due to a number of reasons. Firstly, the gap left by the large, biennial, fundraising event will necessarily result in an expected drop in income. Secondly, two members of the European team (including the European Director) are on maternity leave for a substantial period of 2014 meaning the team of donor relationship managers is smaller than had originally been envisaged. However, 2014 will be no less busy and management and the Trustees believe it will give the charity the opportunity to trial new methods of raising funds, as well as consolidating some of its core funding income streams such as strengthening relationships with Trusts and Foundations and expanding the Global Ambassador Group.

For example, a large community led fundraising challenge event (Cycle2Zero) is planned to take place in October 2014 in which approximately 35 participants will follow a route cycling through some of mothers2mothers' project locations in South Africa and Swaziland. It will not only allow participants to help us raise funds for mothers2mothers but will also give them the opportunity to meet some of our team on the ground whilst seeing first hand some of the vital work that is being done in those countries. Everyone at mothers2mothers is very excited about this event and management hopes that this will become the first of many more such events to come.

**Reserves Policy**

The board and management have determined that "free" reserves (ie. unrestricted 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, generally not be allowed to fall below the equivalent of three to four months of operational costs.

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

---

Reserves at 31 December 2013 are £54,836, which represents approximately two and a half months of current operational costs. The Trustees aim to ensure that future unrestricted reserves represent closer to three months of operational costs unless approved by the Trustees in exceptional circumstances.

**Trustees' Responsibilities**

The Trustees (who are also directors of mothers2mothers (UK) Limited 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 which give a true and fair view of the state of affairs of mothers2mothers (UK) Limited and of the incoming resources and application of resources, including the income and expenditure, of mothers2mothers (UK) Limited 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) Limited 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**

**Derek Lubner**

**REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2013**

---

We have audited the financial statements of mothers2mothers (UK) Limited for the year ended 31 December 2013 set out on pages 14 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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 company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the charity's state of affairs as at 31 December 2013 and of its incoming resources and application of resources, including 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 Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEES (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2013**

---

**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; 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.

N J Kelsey

For and on behalf of  
Saffery Champness  
Chartered Accountants  
Statutory Auditors  
Lion House  
Red Lion Street  
London  
WC1R 4GB

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	Unrestricted funds £	Restricted funds £	2013 £	2012 £
<b>Incoming resources</b>					
<b>Incoming resources from Generated funds</b>					
Voluntary income					
Donations and legacies	2	145,468	133,334	278,802	314,711
Activities for generating funds					
Income from events		282,886	-	282,886	5,911
Investment income					
Bank interest		79	-	79	68
<b>Total incoming resources</b>		<b>428,433</b>	<b>133,334</b>	<b>561,767</b>	<b>320,690</b>
<b>Resources expended</b>					
Cost of generating funds					
Fundraising	3	341,346	30,000	371,346	142,416
Charitable activities					
Supporting mothers2mothers SA	3	39,641	170,001	209,642	280,366
Governance costs	5	10,561	-	10,561	5,428
<b>Total resources expended</b>		<b>391,548</b>	<b>200,001</b>	<b>591,549</b>	<b>428,210</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>36,885</b>	<b>(66,667)</b>	<b>(29,782)</b>	<b>(107,520)</b>
Transfers between funds		-	-	-	-
<b>Net incoming/(outgoing) resources for the year</b>		<b>36,885</b>	<b>(66,667)</b>	<b>(29,782)</b>	<b>(107,520)</b>
Reserves brought forward		17,951	66,667	84,618	192,138
<b>Reserves carried forward</b>	10	<b>54,836</b>	<b>-</b>	<b>54,836</b>	<b>84,618</b>

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 16 to 21 form part of these financial statements.



mothers2mothers (UK) Limited

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2013**

---

	Note	2013		2012	
		£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	7		467		2,042
<b>Current assets</b>					
Debtors	8	26,378		9,206	
Cash at bank and in hand		77,332		79,194	
		<u>103,710</u>		<u>88,400</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(49,341)</u>		<u>(5,824)</u>	
<b>Net current assets</b>			<u>54,369</u>		<u>82,576</u>
<b>Net assets</b>			<u>54,836</u>		<u>84,618</u>
<b>Funds</b>					
Unrestricted funds	10		54,836		17,951
Restricted funds	11		-		66,667
			<u>54,836</u>		<u>84,618</u>

Approved by the Board of Trustees on

2014 and signed on its behalf by:

**Derek Lubner**

The notes on pages 16 to 21 form part of these financial statements.

**Company registration no: 5981078**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

---

**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 fund raising 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) Limited 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 South Africa SA (m2m SA) in furtherance of the charitable objectives of the mothers2mothers (UK) Limited. 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) Limited 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 mothers2mothers (UK) Limited and its compliance with regulation and good practice. These costs include costs related to statutory audit and constitutional requirements together with attributable support costs.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

---

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) Limited 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**2 Donations and legacies**

	Unrestricted funds £	Restricted funds £	Year ended 31.12.13 £	Year ended 31.12.12 £
Donations	124,247	133,334	257,581	314,711
Gift aid	21,221	-	21,221	-
	<u>145,468</u>	<u>133,334</u>	<u>278,802</u>	<u>314,711</u>

**3 Resources expended**

	Direct costs £	Support costs £	Year ended 31.12.13 £	Year ended 31.12.12 £
Fundraising	112,058	259,288	371,346	142,416
Supporting m2m SA	201,521	8,121	209,642	280,366
Governance	5,700	4,861	10,561	5,428
	<u>319,279</u>	<u>272,270</u>	<u>591,549</u>	<u>428,210</u>

Fundraising support costs include support costs associated with general fundraising activities, such as Corporate Fundraising, applications for Trusts & Foundations, Major Donor cultivation, and Community Fundraising.

Direct costs for supporting mothers2mothers South Africa 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 £
Staff costs				
- time basis (Note 6)	190,662	8,121	4,861	203,644
Office overhead	68,626	-	-	68,626
	<u>259,288</u>	<u>8,121</u>	<u>4,861</u>	<u>272,270</u>

**5 Governance**

	Unrestricted funds £	Restricted funds £	Year ended 31.12.13 £	Year ended 31.12.12 £
Staff costs	4,861	-	4,861	-
Auditor's fees	5,700	-	5,700	5,428
	<u>10,561</u>	<u>-</u>	<u>10,561</u>	<u>5,428</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**6 Staff costs**

	<b>Year ended 31.12.13 £</b>	<b>Year ended 31.12.12 £</b>
Wages and salaries	183,699	105,461
Social security costs	19,945	11,886
	<u>203,644</u>	<u>117,347</u>

One employee earned more than £80,000 per annum in the financial year (2012: one - £60,001 to £70,000).

None of the Trustees of mothers2mothers (UK) Limited were remunerated for their time or reimbursed for expenses incurred in carrying out their duties (2012: none).

	<b>Year ended 31.12.13 Number</b>	<b>Year ended 31.12.12 Number</b>
The average number of persons employed by mothers2mothers (UK) Limited during the year in the UK	<u>5</u>	<u>3</u>

**7 Tangible fixed assets**

	<b>Office equipment and computers £</b>
<b>Cost:</b>	
At 1 January 2013	3,186
Additions in the year	-
At 31 December 2013	<u>3,186</u>
<b>Depreciation:</b>	
At 1 January 2013	1,144
Charge for the year	1,575
At 31 December 2013	<u>2,719</u>
<b>Net book value:</b>	
At 31 December 2013	<u>467</u>
At 31 December 2012	<u>2,042</u>

All fixed assets are used for charitable purposes.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

8	<b>Debtors</b>			<b>At 31.12.13 £</b>	<b>At 31.12.12 £</b>
	Other debtors and prepayments			26,378	9,206
				26,378	9,206
				26,378	9,206
9	<b>Creditors: Amounts falling due within one year</b>			<b>At 31.12.13 £</b>	<b>At 31.12.12 £</b>
	Due to mothers2mothers SA			29,923	392
	Accruals and other creditors			19,418	5,432
				49,341	5,824
				49,341	5,824
10	<b>Unrestricted funds</b>				
		<b>1 January 2013 £</b>	<b>Incoming funds £</b>	<b>Outgoing funds £</b>	<b>31 December 2013 £</b>
	<b>Unrestricted funds</b>				
	General funds	17,951	428,433	(391,548)	54,836
		17,951	428,433	(391,548)	54,836
		17,951	428,433	(391,548)	54,836

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**11 Restricted funds**

	<b>1 January 2013 £</b>	<b>Incoming funds £</b>	<b>Outgoing funds £</b>	<b>31 December 2013 £</b>
Comic Relief	46,667	53,334	(100,001)	-
LGC Fund	20,000	-	(20,000)	-
bet365	-	50,000	(50,000)	-
Promotional video	-	30,000	(30,000)	-
	<u>66,667</u>	<u>133,334</u>	<u>(200,001)</u>	<u>-</u>

Monies received from Comic Relief were restricted to spending on core operation systems at mothers2mothers South Africa SA.

Monies received from the LGC Fund were restricted to spending for mothers2mothers' Kenya operation.

Monies received from bet365 were restricted to spending on training of Mentor Mothers and Site Coordinators for mothers2mothers.

Monies received from two individual donors were restricted to spending on the creation of a promotional video for use by the wider mothers2mothers organisation.

**12 Related party transactions**

mothers2mothers (UK) Limited was a wholly owned subsidiary of mothers2mothers International Inc until 13 August 2013. On that date, a Trust deed was signed by the Trustees by which the shares in mothers2mothers (UK) Limited were transferred from mothers2mothers International Inc to the Trustees. The shares in mothers2mothers (UK) Limited are now held upon trust for the Trustees.

Amounts due to other entities within the mothers2mothers group at the year end are included in note 9 of these financial statements. The total amount awarded from mothers2mothers (UK) Limited to mothers2mothers South Africa SA during the year in both sub awards and grants amounted to £201,521 (2012: £275,347) and is included in note 3 to these financial statements.