mothers2mothers (UK) Limited

TRUSTEES’ REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014
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mothers2mothers (UK) Limited

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
Ngozi Nnenna Orji (appointed 8 June 2015)

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
STRUCTURE GOVERNANCE AND MANAGEMENT

Governance Document

mothers2mothers (UK) Limited (hereafter known as 'mothers2mothers (UK)') is a 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 8 June 2015, Ngozi Nenna Orji was appointed as a Trustee and has quickly become a full and active member of the Board of Trustees.

The organisation continues 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 operational, based on a shared mission and commitment to unlocking the potential of mothers and families through scalable, high impact interventions in the developing world.

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 exists which includes documentation of the controls in place to mitigate the risks identified and this register is periodically reviewed and updated by the trustees.
OBJECTIVES

mothers2mothers (UK) Limited

mothers2mothers (UK)’s main aim is to support the prevention of mother-to-child transmission of HIV and improve the health and wellbeing of mothers, their families and communities in sub-Saharan Africa by raising funds in Europe. It works towards this by associating with and promoting the work of mothers2mothers South Africa (m2mSA), an Africa-based, global NGO that unlocks the potential of mothers and their families through scalable high impact interventions. Using its peer approach mothers2mothers employs and trains women rooted in communities most affected by the pandemic, harnessing the personal experiences, local language, common culture, and infinite strength of women. mothers2mothers has operations and affiliated operating entities in six countries in Sub-Saharan Africa (South Africa, Kenya, Lesotho, Malawi, Swaziland and Uganda).

mothers2mothers’ flagship program, designed to prevent the transmission of mother-to-child transmission of HIV, trains, employs, and empowers HIV-positive women from local communities. The intimate and trusted relationships they form with other local women makes mothers2mothers a leader in global efforts to eliminate paediatric AIDS. mothers2mothers’ peer-based Mentor Mother Model achieves positive health outcomes and reduces mother-to-child transmission rates, while creating significant saving through averted HIV treatment costs. mothers2mothers has reached more than 1.3 million HIV-positive mothers in nine countries and its model has been identified by the United Nations as a key strategy in eliminating paediatric AIDS and promoting healthy motherhood.

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 clinical services and treatment to prevent mother-to-child transmission ("PMTCT") and the lack of uptake of these services by women who need them most. This gap is due to a number of factors, including:

- Shortage of medical professionals: While the dosage of antiretroviral medication has become simpler and less expensive, healthcare systems in sub-Saharan Africa remain critically understaffed. That means doctors and nurses do not have enough time to educate a frightened, newly diagnosed woman about HIV, and give her the support she needs to overcome her fears, access lifecare medicines, and adhere to treatment correctly.

- HIV-related stigma: It is estimated that more than 50% of HIV infections among children can be attributed to HIV-related stigma due to cultural beliefs and a lack of accurate information. The fear of stigma leaves far too many women terrified to disclose their status, making it difficult for them to take the medication so critical to their health and that of their babies.

- Low adherence rates: Too many HIV-positive women stop their treatment after their babies test negative for HIV at six weeks old, thinking there’s no longer a risk of transmission and not making their own health a priority. The global health community recognises the need to increase the number of women who stay in care throughout their children’s early years and beyond, to prevent HIV transmission during breastfeeding and in future pregnancies, lower the risk of infecting male partners and ensure that mothers stay alive to raise their children.

Evidence and experience prove that access to clinical PMTCT intervention alone does not sufficiently address this gap, and that a more holistic programme of education and psychosocial support also needs to be in place for pregnant women, their partners, families and communities, through pregnancy, labour, delivery and breastfeeding. Only through pairing 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 combating HIV/AIDS, Malaria and other diseases (MDG no. 6).

Mentor Mothers = Health + Hope

When mothers2mothers was founded in 2001 at a single site in Cape Town, South Africa, approximately 1,500 children were infected with HIV each day globally. While tremendous progress has been made since then to prevent new HIV infections among children, approximately 600 children are still infected with HIV daily, 90% of them in sub-Saharan Africa, and AIDS is a leading cause of maternal mortality in the region.

mothers2mothers is headquartered in South Africa and remains committed to creating a generation free of HIV and ensuring that every child is given the opportunity to thrive and their HIV-positive mothers live healthy and long lives. Our model is rooted in the communities most affected by the pandemic—placing HIV-positive mothers themselves at the heart of efforts to eliminate paediatric AIDS and create better outcomes for maternal and family health.

At mothers2mothers, we believe that employment is empowering, that education is essential for better health, and that by investing in women, we are investing in the future. mothers2mothers trains and employs local women living with HIV as Mentor Mothers, to work alongside doctors and nurses in critically understaffed health systems as professionalised members of the healthcare team and within communities. Mentor Mothers' intimate understanding of the social and cultural challenges of living with HIV gives them a unique ability to form trusted relationships and common bonds with other pregnant women and new mothers that are unparalleled in maternal and child healthcare in Africa. By sharing their own experiences with HIV and providing education and support, Mentor Mothers are vitally important in helping women to access care early in their pregnancies and stay on treatment for the best possible health outcomes for themselves and their families.

Formerly marginalised and disempowered by their HIV status, Mentor Mothers work side-by-side with doctors and nurses in understaffed health centres and within communities that have been hardest hit by the pandemic. They are professionalised, employed, and economically independent, fighting stigma and discrimination through examples and giving other HIV-positive mothers the courage to live positively. Role models and leaders in their communities, Mentor Mothers embody the health and hope that all African women and their families deserve.

It is therefore the aim of mothers2mothers (UK) to continue to raise funds to further promote the expansion of mothers2mothers' Mentor Mother programme 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 2014. 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 to achieve our goals. We are also very grateful to Victoria Wall and Victoria Wall Associates for their continued support of the organisation.

ACHIEVEMENTS AND PERFORMANCE

The Trustees and management team have been excited to see mothers2mothers (UK) enjoy another very busy and successful year with a number of exciting fundraising campaigns. This consolidates a sustained period of growth since the European office was established in 2011 and has been driven by a mixture of both restricted and unrestricted income.

In terms of unrestricted fundraising, one of the largest contributors to unrestricted income during 2014 was from a large community-led fundraising challenge event ("CyclettoZero") which took place in October 2014. Twenty-one participants followed a cycling route through some of mothers2mothers' projects in Swaziland through to the Mpumalanga region of South Africa. This not only allowed participants to help us raise funds for mothers2mothers but also gave 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. The event was an amazing success for mothers2mothers and participants alike and plans are already underway to replicate this event in Malawi in 2016. Communication assets such as photo projects from the challenge, as well as video assets that were created in 2014 by Aidan O'Neill, will be used as the backbone of the 2016 challenge communications strategy to reinforce this fundraising event and promote any fundraising efforts of mothers2mothers' staff and participants.

We are extremely grateful to the dedicated group of individuals who supported us in our inaugural cycle event and would like to thank them all for their support and enthusiasm both throughout and since the event.
mothers2mothers (UK) Limited

TRUSTEES’ REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

Another one of our largest contributors to unrestricted income was an extremely successful campaign organised by THE OUTNET in partnership with Victoria Beckham. Over 600 items from Victoria Beckham’s wardrobe archive were offered for sale to the public on THE OUTNET for which mothers2mothers was the beneficiary. This resulted in a six figure donation being made to mothers2mothers (UK), as well as a substantial amount of publicity being generated for the charity.

The Gorkana report for the campaign revealed it was featured in 583 publications across 23 countries worldwide amounting to a total PR value of £26,345,629. Gorkana also revealed the sum of global readership to be 1,063,603,934. The exclusive sale was featured on global broadcast TV, such as Good Morning America, ITV’s Good Morning Britain and Channel 5 News, and in total, that particular media type made up 30,530,098 of readership. The official hashtag, #V8xTHEOUTNET, had a reach of 9 million during the launch week. Furthermore, to cite one platform in particular, mothers2mothers’ Instagram engagement and subsequent following increased by 400%.

We would like to extend our sincere thanks to Victoria Beckham, THE OUTNET and everyone else who contributed.

A number of community led fundraising events took place during the year including fundraisers who supported us in their sporting achievements as well as by organising specific social events. One intrepid fundraiser ran the Mwanza half marathon, the Zanzibar half marathon, the Serengeti Marathon, in Tanzania, and, last but not least, climbing Mount Kilimanjaro raising vital funds and awareness on African soil, as well as back home in England, on behalf of the organisation. Other fundraisers include an individual who ran the Edinburgh Marathon on our behalf, as well as four brave women who took part in ’Tough Mudder,’ a gruelling series of hardcore 10-12 mile obstacle races – mud run events designed by the British Special Forces. Away from the sporting activities, Louis Dreyfus Commodities tested their brain power in the first annual LDC Geneva Charity Pub Quiz to raise funds for mothers2mothers. We would like to extend our thanks to all of them for their support during the year and to everyone else who has contributed to our community led events.

mothers2mothers (UK) also continued to strengthen its Major Donor giving. Having launched the mothers2mothers’ Global Ambassador group in 2012, this group has grown steadily since then, providing the charity with a reliable and predictable source of unrestricted revenue. We would like to take this opportunity to thank all those involved and hope that we can continue to grow this group in the future.

In June 2014, we were awarded a grant from Comic Relief totalling £984,666 over a 36 month period towards our work in Kenya. Funding from Comic Relief not only allows us to meet our programmatic goals but also provides mothers2mothers (UK) with increased visibility among the British public. We are grateful to the team at Comic Relief for their support.

We would also like to thank bet365 for their continued support during 2014.

Restricted income was received from three sources during the year: Comic Relief, bet365, and from an anonymous donor, and these monies were transferred to mothers2mothers SA during the year.

In addition, mothers2mothers (UK) continues to provide invaluable support to mothers2mothers SA in helping it grow other trust, foundation and institutional donors. This support helped to secure a three-year grant with the Department for International Development (DFID) in 2013 totalling £3,999,989 over its duration which is being received directly into mothers2mothers SA, of which nearly £1.4 million related to 2014.

The European Director, along with other senior members of the management team of mothers2mothers, also spent considerable time in 2014 growing and stewarding other institutional relationships, such as with the Elton John AIDS Foundation, LGT Venture Philanthropy and Vitol Foundation, as well as performing an advocacy role in raising awareness of the wider mothers2mothers organisation through attending conferences and meetings throughout Europe.

The activities of the mothers2mothers UK team resulted in the granting of sub awards to mothers2mothers SA totalling £267,197 in 2014 (2013: £201,521) to help fund the various programmes supported by mothers2mothers.
2014 Developments

INDEPENDENT COST-BENEFIT ANALYSIS: An independent evaluation conducted in 2014 found that mothers2mothers' Mentor Mother Model, as implemented under the STAR-EC Program in Uganda, significantly improves maternal and infant PMTCT (prevention of mother-to-child HIV transmission) outcomes and psychosocial wellbeing, and contributes to reducing mother-to-child HIV transmission rates, while at the same time offering the potential of saving tens of millions of dollars through averted treatment costs if the programme were implemented nationally.

Funded by Johnson & Johnson, the study was conducted by independent researchers who collected information from 62 health facilities in Uganda that were divided into two groups: 31 of the health facilities were supported by mothers2mothers' Mentor Mothers programme while another 31 control health facilities did not have a mothers2mothers presence.

Among the key findings:

- mothers2mothers' Mentor Mother programme has a significantly positive impact on maternal and infant PMTCT outcomes, compared to outcomes at health facilities with no mothers2mothers presence, including improved:
  - retention-in-care of HIV-positive women 12 months after being initiated on triple antiretroviral drugs (ART) (90.9% vs. 63.6%)
  - uptake of early infant diagnosis test for HIV 6-8 weeks after birth (71.5% vs. 45.8%)
  - initiation of HIV-positive infants on ART (60.9% vs. 27.8%)
- mothers2mothers' programme contributes to a significant reduction in mother-to-child HIV transmission rates at 18 months (6.8%), compared to mother-to-child HIV transmission rates at facilities without mothers2mothers (8.7%).
- Women who receive support from Mentor Mothers have significantly greater psychosocial wellbeing, compared to those who do not (44.7% vs. 36.5%).
- The mothers2mothers Mentor Mother Model has a high return on investment when comparing the significant benefits of the programme to the costs required to implement it. For every U.S. dollar spent ($1) on the Mentor Mother programme in Uganda, there is $11.40 in cost savings associated with averted HIV treatment and diagnostic costs.
- If mothers2mothers' programme were to be implemented on a national level in Uganda, an estimated 1,724 paediatric HIV infections would be prevented each year. That would save approximately $51 million on treatment costs over the lifetime of infants born HIV negative due to mothers2mothers' prevention efforts.

mothers2mothers has worked in Uganda since 2010 under the Strengthening TB and HIV & AIDS Response in East Central Uganda (STAR-EC) programme. STAR-EC is a six-year initiative funded by the United States Agency for International Development (USAID) that covers nine districts in East Central Uganda and serves a population of approximately 3.1 million people (9% of Uganda's total population). mothers2mothers operates its programme in partnership with JSI Research & Training Institute Inc., which has been implementing HIV & AIDS and TB-related activities in East Central Uganda since March 2009.

We are proud of this data, not only because it is important to us that our donors know their investment is having an impact, but also because we know our services to be of high quality for our clients and beneficial to the health systems where they live.

COMMUNITY MENTOR MOTHERS: Since mothers2mothers launched a Community Mentor Mother (CMM) programme at five health facilities in Lilongwe, Malawi, in 2013 — for the first time bringing Mentor Mothers out of health centres and into communities — we have expanded the programme in Malawi and rolled it out in three additional countries — Uganda, Lesotho, and Swaziland.

Community Mentor Mothers are uniquely placed to address both common myths and misconceptions about HIV as well as fear of stigma and discrimination. They work within surrounding townships, villages and neighbourhoods to identify, educate and support women who have not visited a healthcare centre or who have stopped treatment, and reach them at home to encourage them to seek medical care.
Working together for better results:

- CMMs work hand-in-hand with the Mentor Mothers based at nearby health centres, referring their new clients to ensure that they successfully access medical care.
- In turn, they support Mentor Mothers by following up at home with clients who have missed key medical appointments, encouraging them to return to the health centre and adhere to their treatment.

Through their frontline position in communities, CMMs are also able to:

- identify women of reproductive age who are at risk of HIV and encourage them to be tested;
- encourage pregnant women to access antenatal care within their first trimester as recommended by the World Health Organization for optimal maternal and infant health outcomes;
- track whether clients make it to key medical appointments with the goal of retaining them in mothers2mothers' programme until their babies have reached 24-months, which is when many women in Africa stop breastfeeding and there is no longer a risk of HIV transmission;
- engage with male partners to educate them about PMTCT and the importance of testing;
- identify HIV-exposed children who have not been tested;
- provide at-risk clients with tailored support to help them stay on their treatment;
- support women who are afraid to disclose their status to their partner or family and help them do so;
- give health education talks in high-density areas and at community events to raise awareness about HIV testing and prevention;
- provide education sessions to key opinion leaders to promote more effective action towards the health of their communities.

SUPPORTING OPTION B+: Option B+ has been a game changer, making it more important than ever to reach women in their homes through Community Mentor Mothers who can provide them with the support they need to stay in treatment for life or encourage them to return to their health centres, where Mentor Mothers are ready to ensure they are retained in care.

Option B+ is a universal treatment approach supported by the World Health Organization that recommends all HIV-positive pregnant and breastfeeding women be put on triple antiretroviral therapy (ART) for the rest of their lives. Option B+ was first introduced in Malawi in 2011 after the government realised that a shortage of CD4 machines that measure the stage of the virus, combined with high fertility rates and scarce human resources, made it difficult for them to follow the Option A and B protocols that require frequent testing to determine eligibility for treatment. Under Option B+, as soon as a pregnant woman or breastfeeding mother tests positive for HIV, she is immediately initiated on ART for life.

While many more women are now on ART, in Malawi and the other countries that have adopted Option B+, the implementation of Option B+ hasn’t been without challenges. Data from the first 18 months of Option B+ in Malawi showed that 23% of the women started on ART under Option B+ were no longer on treatment after six months. In fact, many of them dropped out of treatment in the first three months. These results demonstrate a need for greater education and support to help women commit to and stay on treatment, especially after their babies have tested HIV negative and are feeling healthy. This is where Mentor Mothers can fill in the gap in care by following up with mothers who often don’t realize how important their continued health is to the future of their children.

Today, many countries have followed Malawi’s lead and all of the countries in which mothers2mothers operates have adopted Option B+.
mothers2mothers (UK) Limited

TRUSTEES’ REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

FINANCIAL REVIEW

Results for the year

Income for the 12 months to 31 December 2014 totalled £872,564 (2013: £561,767) of which £324,333 relates to restricted income from three sources: Comic Relief, bet365, and amounts from an anonymous donor and mothers2mothers SA (2013: restricted income £133,334). The increase in total income year on year was as a result of an increase in restricted income; unrestricted income has decreased year on year 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 the major event and reduce the risk of creating donor fatigue and we are very excited to be once again holding this event in November 2015.

There were net incoming resources for the year of £78,022 (2013: outgoing resources of £29,782) and this was in line with the organisation’s strategy to strengthen its reserve position. As a result, unrestricted reserves carried forward at 31 December 2014 increased to £132,858 from £54,836 at 31 December 2013. The Trustees consider that the current reserves position is now more appropriate.

Investments

In line with mothers2mothers (UK)’s purposes, the majority of unrestricted reserves is distributed by way of grants to mothers2mothers SA leaving a relatively 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 continue to invest in the European office and grow its donor base and revenue in a sustained way 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 Zambia.

As part of mothers2mothers (UK)’s strategic plan, the Trustees envisage that 2015 will achieve a higher level of both restricted and unrestricted income, the latter due to the large biennial fundraising event which is taking place in November 2015.

Reserves Policy

The board and management have determined that “free” reserves (i.e., 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 unless approved by the Trustees in exceptional circumstances.

Reserves at 31 December 2014 are £132,858, which the Trustees consider is reasonable given the agreed policy. The Trustees aim to ensure that future unrestricted reserves do not fall below this level unless 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

[Signature]

Carl Wesley Stewart
2 September 2015
We have audited the financial statements of mothers2mothers (UK) Limited for the year ended 31 December 2014 set out on pages 13 to 20. 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 2014 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.
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.

Nicholas Kelsey

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

7 September 2015
mothers2mothers (UK) Limited

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2014

<table>
<thead>
<tr>
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<th>Restricted funds £</th>
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<td>2</td>
<td>248,012</td>
<td>267,197</td>
<td>515,209</td>
</tr>
<tr>
<td>Income from mothers2mothers SA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activities for generating funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income from events</td>
<td>2</td>
<td>100,187</td>
<td>-</td>
<td>100,187</td>
</tr>
<tr>
<td>Investment income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank interest</td>
<td>32</td>
<td>-</td>
<td>32</td>
<td>79</td>
</tr>
<tr>
<td><strong>Total incoming resources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>348,231</td>
<td>324,333</td>
<td>672,564</td>
<td>561,767</td>
</tr>
</tbody>
</table>

|      |          |                   |        |        |
| **Resources expended** |          |                   |        |        |
| **Cost of generating funds** |          |                   |        |        |
| Fundraising | 3,4 | 174,364 | - | 174,364 | 259,288 |
| Events | 3 | 19,034 | - | 19,034 | 112,058 |
| Charitable activities |          |                   |        |        |
| Supporting mothers2mothers SA | 3 | 56,435 | 324,333 | 380,768 | 209,642 |
| Governance costs | 5 | 20,376 | - | 20,376 | 10,561 |
| **Total resources expended** |          |                   |        |        |
|  | 270,209 | 324,333 | 594,542 | 591,549 |

|      |          |                   |        |        |
| **Net incoming/(outgoing) resources before transfers** |          |                   |        |        |
| Transfers between funds |          |                   |        |        |
| **Net incoming/(outgoing) resources for the year** |          |                   |        |        |
|  | 78,022 | - | 78,022 | (29,782) |
| Reserves brought forward |          |                   |        |        |
|  | 54,836 | - | 54,836 | 84,618 |
| **Reserves carried forward** | 10 | 132,858 | - | 132,858 | 54,836 |

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 15 to 20 form part of these financial statements.
## BALANCE SHEET
### AS AT 31 DECEMBER 2014

<table>
<thead>
<tr>
<th>Note</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible fixed assets</td>
<td>7</td>
<td>53</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>8</td>
<td>63,884</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>191,537</td>
<td>77,332</td>
</tr>
<tr>
<td></td>
<td></td>
<td>255,421</td>
</tr>
<tr>
<td><strong>Creditors: amounts falling due within one year</strong></td>
<td>9</td>
<td>(22,616)</td>
</tr>
<tr>
<td><strong>Net current assets</strong></td>
<td></td>
<td>232,805</td>
</tr>
<tr>
<td><strong>Creditors: amounts falling due in greater than one year</strong></td>
<td>10</td>
<td>(100,000)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>132,858</td>
</tr>
<tr>
<td><strong>Funds</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted funds</td>
<td>11</td>
<td>132,858</td>
</tr>
<tr>
<td>Restricted funds</td>
<td>12</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>132,858</td>
</tr>
</tbody>
</table>

Approved by the Board of Trustees on 2 September 2015 and signed on its behalf by:

C/\[w. 3]

The notes on pages 15 to 20 form part of these financial statements.

Company registration no: 5981078
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 (mothers2mothers 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 associated with supporting mothers2mothers SA, 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.
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 2014

2 Gift aid

Included within unrestricted income is gift aid totalling £31,491 in respect of the year ended 31 December 2014 (2013: £21,221).

3 Resources expended

<table>
<thead>
<tr>
<th></th>
<th>Direct costs</th>
<th>Support costs</th>
<th>Year ended 31.12.14</th>
<th>Year ended 31.12.13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fundraising</td>
<td>19,034</td>
<td>174,364</td>
<td>193,398</td>
<td>371,346</td>
</tr>
<tr>
<td>Supporting m2m SA</td>
<td>324,333</td>
<td>56,435</td>
<td>380,768</td>
<td>209,642</td>
</tr>
<tr>
<td>Governance</td>
<td>5,700</td>
<td>14,676</td>
<td>20,376</td>
<td>10,561</td>
</tr>
<tr>
<td></td>
<td>349,067</td>
<td>245,475</td>
<td>594,542</td>
<td>591,549</td>
</tr>
</tbody>
</table>

Fundraising support costs include support costs associated with general fundraising activities, such as Corporate Fundraising, applications for Trusts, Foundations and other institutional donors, Major Donor cultivation, Community Fundraising, donor stewardship, communications, and advocacy.

Direct costs totalling £324,333 for supporting mothers2mothers South Africa SA include grants paid directly to the Organisation during the year of £267,197 and salary costs of £57,136.

4 Allocation of support costs

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

<table>
<thead>
<tr>
<th></th>
<th>Fundraising £</th>
<th>Supporting m2m SA £</th>
<th>Governance £</th>
<th>Total £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- time basis</td>
<td>127,797</td>
<td>56,435</td>
<td>14,676</td>
<td>198,908</td>
</tr>
<tr>
<td>Office overhead</td>
<td>46,567</td>
<td></td>
<td></td>
<td>46,567</td>
</tr>
<tr>
<td></td>
<td>174,364</td>
<td>56,435</td>
<td>14,676</td>
<td>245,475</td>
</tr>
</tbody>
</table>

5 Governance

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted funds</th>
<th>Restricted funds</th>
<th>Year ended 31.12.14</th>
<th>Year ended 31.12.13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff costs</td>
<td>14,676</td>
<td>-</td>
<td>14,676</td>
<td>4,861</td>
</tr>
<tr>
<td>Auditor’s fees</td>
<td>5,700</td>
<td>-</td>
<td>5,700</td>
<td>5,700</td>
</tr>
<tr>
<td></td>
<td>20,376</td>
<td>-</td>
<td>20,376</td>
<td>10,561</td>
</tr>
</tbody>
</table>

Staff costs allocated to governance have increased from 2013 due to a change in the percentage allocations of staff time associated with governance related activities.
6 Staff costs

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31.12.14</th>
<th>Year ended 31.12.13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>£230,834</td>
<td>£183,699</td>
</tr>
<tr>
<td>Social security costs</td>
<td>£25,210</td>
<td>£19,945</td>
</tr>
<tr>
<td></td>
<td>£256,044</td>
<td>£203,644</td>
</tr>
</tbody>
</table>

Included within the wages and salaries costs above are salary costs of £198,908 which are allocated as support costs and £57,136 which are included within direct costs associated with supporting mothers2mothers SA.

One employee earned between £60,001 to £70,000 per annum in the financial year (2013: one – more than £80,000).

None of the Trustees of mothers2mothers (UK) Limited were remunerated for their time or reimbursed for expenses incurred in carrying out their duties (2013: none).

7 Tangible fixed assets

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31.12.14</th>
<th>Year ended 31.12.13</th>
</tr>
</thead>
<tbody>
<tr>
<td>The average number of persons employed by mothers2mothers (UK) Limited during the year in the UK</td>
<td>7</td>
<td>5</td>
</tr>
</tbody>
</table>

Cost:
- At 1 January 2014: 3,186
- Additions in the year: -
- At 31 December 2014: 3,186

Depreciation:
- At 1 January 2014: 2,719
- Charge for the year: 414
- At 31 December 2014: 3,133

Net book value:
- At 31 December 2014: 53
- At 31 December 2013: 467

All fixed assets are used for charitable purposes.
### Debtors

<table>
<thead>
<tr>
<th></th>
<th>At 31.12.14</th>
<th>At 31.12.13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due from mothers2mothers SA</td>
<td>8,380</td>
<td>-</td>
</tr>
<tr>
<td>Other debtors and prepayments</td>
<td>55,504</td>
<td>26,378</td>
</tr>
<tr>
<td></td>
<td><strong>63,884</strong></td>
<td><strong>26,378</strong></td>
</tr>
</tbody>
</table>

### Creditors: Amounts falling due within one year

<table>
<thead>
<tr>
<th></th>
<th>At 31.12.14</th>
<th>At 31.12.13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due to mothers2mothers SA</td>
<td>-</td>
<td>29,923</td>
</tr>
<tr>
<td>Accruals and other creditors</td>
<td>22,616</td>
<td>19,416</td>
</tr>
<tr>
<td></td>
<td><strong>22,616</strong></td>
<td><strong>49,341</strong></td>
</tr>
</tbody>
</table>

### Creditors: Amounts falling due after one year

<table>
<thead>
<tr>
<th></th>
<th>At 31.12.14</th>
<th>At 31.12.13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due to mothers2mothers International</td>
<td>100,000</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>100,000</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

The creditor due to mothers2mothers International represents a non-interest bearing loan and it is due for repayment within 2-3 years.

### Unrestricted funds

<table>
<thead>
<tr>
<th></th>
<th>1 January 2014</th>
<th>Incoming funds</th>
<th>Outgoing funds</th>
<th>31 December 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Unrestricted funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General funds</td>
<td>54,836</td>
<td>348,231</td>
<td>(270,209)</td>
<td>132,858</td>
</tr>
<tr>
<td></td>
<td><strong>54,836</strong></td>
<td><strong>348,231</strong></td>
<td><strong>(270,209)</strong></td>
<td><strong>132,858</strong></td>
</tr>
</tbody>
</table>
12 Restricted funds

<table>
<thead>
<tr>
<th></th>
<th>1 January 2014</th>
<th>Incoming funds £</th>
<th>Outgoing funds £</th>
<th>31 December 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comic Relief</td>
<td>-</td>
<td>185,947</td>
<td>(185,947)</td>
<td>-</td>
</tr>
<tr>
<td>Anonymous donation</td>
<td>-</td>
<td>31,250</td>
<td>(31,250)</td>
<td>-</td>
</tr>
<tr>
<td>bet365</td>
<td>-</td>
<td>50,000</td>
<td>(50,000)</td>
<td>-</td>
</tr>
<tr>
<td>mothers2mothers SA</td>
<td>-</td>
<td>57,136</td>
<td>(57,136)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>324,333</td>
<td>(324,333)</td>
<td>-</td>
</tr>
</tbody>
</table>

Monies received from Comic Relief were restricted to spending by mothers2mothers SA on programmes in Kenya.
Monies received from an anonymous donor were restricted to spending on specific activities in mothers2mothers SA.
Monies received from bet365 were restricted to spending on activities associated with early childhood development by mothers2mothers.
Monies received from mothers2mothers SA were restricted to spending on the salary costs of employees working on specific projects on behalf of mothers2mothers SA.

13 Related party transactions

The shares in mothers2mothers (UK) Limited are held upon trust for the Trustees through a Trust deed signed on 13 August 2013.

Amounts due to other entities within the mothers2mothers family at the year end are included in notes 8, 9 and 10 of these financial statements. Amounts received from mothers2mothers South Africa SA are included in note 12. The total amount awarded from mothers2mothers (UK) Limited to mothers2mothers South Africa SA during the year in sub awards and grants amounted to £267,197 (2013: £201,521) and is included in note 3 to these financial statements.