

mothers2mothers (UK) Limited
(A Company Limited by Shares)

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2016

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Reference and administrative details

The registered name of the charity is mothers2mothers (UK) Limited. It is registered with the Charity Commission in England and Wales with the number 1119721 and registered with Companies House with the number 5981078.

Full name and registered address:

mothers2mothers (UK) Ltd
St Mark's Studios
14, Chillingworth Road
London
N7 8QJ

Charity Registration Number: 1119721

Company Registration Number: 5981078

Trustees:

Carl Stewart
Derek Lubner
Carolina Manhusen Schwab
Ngozi Nnenna Orji
Samantha Bond, also known as Samantha Hanson-Akins (appointed 18 February 2016)
Dr Timothy Evans (appointed 11 October 2016)
Louise Palmer (appointed 8 December 2016)
Stephanie Power (appointed 26 January 2017)

Senior member of staff

Emma France (European Director)

Solicitors:

Farrer & Co LLP
66 Lincoln's Inn Fields
London
WC2A 3LH

Bankers:

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

Statutory auditor:

Saffery Champness LLP
71 Queen Victoria Street
London
EC4V 4BE

**REPORT OF THE TRUSTEES
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The Board have pleasure in presenting their report together with the audited accounts for the year ended 31 December 2016. The Board have adopted the provisions of the Charities SORP (FRS 102) – Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (effective 1 January 2015) in preparing the annual report and financial statements of the charity. The accounts have been prepared in accordance with the Companies Act 2006.

Organisational structure

mothers2mothers (UK) Limited (hereafter referred to as “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” (m2m). 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. mothers2mothers (UK) is principally engaged in awareness raising and mobilising resources for mothers2mothers.

About mothers2mothers

mothers2mothers is an Africa-based, global non-profit organisation that unlocks the potential of mothers to eliminate paediatric AIDS and create healthy families and communities. While mother-to-child transmission of HIV is almost entirely preventable, 300 babies are still infected each day in sub-Saharan Africa. mothers2mothers trains, employs, and empowers local women living with HIV, called Mentor Mothers, as frontline healthcare workers in understaffed health centres and within communities. Their intimate understanding of the social and cultural challenges of living with HIV gives them a unique ability to form trusted relationships with other women, vital to helping them access 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 are professionalised, employed, and economically independent, fighting stigma and discrimination by example, becoming role models and leaders in their communities. mothers2mothers’ scalable, high-impact peer approach has proven to reduce mother-to-child transmission rates and achieve better health outcomes, while also creating significant savings through averted HIV treatment costs. Since our founding at one Cape Town hospital in 2001, mothers2mothers has become a leader in global efforts to end paediatric AIDS, reaching more than 1.5 million HIV-positive women in nine African countries. mothers2mothers currently has operations and affiliated operating entities in South Africa, Kenya, Lesotho, Malawi, Swaziland, Uganda and Zambia).

Governing document

mothers2mothers (UK) Limited 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.

Objectives and activities

Purposes and aims

mothers2mothers (UK) Limited is required by charity and company law to act within the objects of its Memorandum of Association, which are as follows:

To promote the advancement of education, the relief of poverty, and such other purposes as are exclusively charitable under the laws of England and Wales.

More specifically, mothers2mothers' main objective is to support the elimination of mother-to-child transmission of HIV and improve the health and wellbeing of mothers, their families and communities in sub-Saharan Africa by both raising funds and increasing awareness of our cause in Europe. We therefore seek to maximise resource mobilisation by generating both restricted and unrestricted funds, as well as seeking gifts in kind, collaborations and partnerships and raising awareness of our cause through advocacy and outreach.

Ensuring our work delivers our aims

We review our objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the previous 12 months. The review looks at the success of each key activity and the benefits they have brought to our beneficiaries. The review also helps us to ensure our aim, objectives and activities remained focused on our stated purposes. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities.

The focus of our work

Our main objectives for the year were:

- To raise funds in order to help mothers2mothers deliver its strategic plan (2014-2017) which is committed to creating an HIV-free generation.

Whilst we are still very much focused on preventing the transmission of HIV from mother-to-child, we recognise that paediatric AIDS will only be eliminated when HIV-exposed children are given the opportunity to thrive and reach reproductive age with the skills and knowledge necessary to make the right choices to protect the next generation from HIV. That is why m2m is taking a family-centred approach that extends well beyond pregnancy, birth, and a child's early years. Our services include:

- Prevention of Mother-to-Child Transmission (PMTCT), HIV Care and Treatment
 - Reproductive, Maternal, Newborn, Child Health (RMNCH)
 - Early Childhood Development (ECD)
 - Paediatric Case Finding and Support
 - Adolescent Health and Positive Youth Development.
- To raise awareness of the work that mothers2mothers does through awareness raising, public relations, advocacy and campaigns.

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Prevention of Mother-to-Child Transmission (PMTCT), HIV Care and Treatment:

Mentor Mothers promote uptake of services, retain HIV-positive women in care, and improve adherence to treatment by providing essential health education. They provide peer support to women and their male partners in health facilities, households, and communities.

Reproductive, Maternal, Newborn, Child Health (RMNCH):

The trusted relationships between Mentor Mothers and their clients make them uniquely effective in providing essential RMNCH services critical to them and their families, including linkages to care and referrals for family planning, cervical cancer screening, child immunization, gender-based violence support, neonatal male circumcision, malaria, nutrition, and TB.

Early Childhood Development (ECD):

Specially trained Mentor Mothers provide an essential package of ECD services to children and their parents or caregivers at their homes or within health facilities. This intensive intervention is designed to improve children's cognitive, social, emotional, motor and language development, and physical growth.

Paediatric Case Finding and Support:

Using a family-centered approach, Mentor Mothers are trained to identify HIV-positive and HIV-exposed children at health facilities and in communities, link them to care and treatment, and deliver ongoing follow up and adherence support to the children and their families.

Adolescent Health and Positive Youth Development:

mothers2mothers provides age-appropriate, sensitive, and empathetic support to adolescents in safe and confidential environments, promoting access to sexual and reproductive health services, building their skills and competencies, and fostering healthy relationships and greater resiliency through role modeling and involving youth in decision making.

Volunteers

mothers2mothers (UK) would like to take the opportunity presented in this Trustees' Report to recognise the indispensable contribution made by volunteers in 2016, including those individuals who volunteer their time either on a regular or one-off basis or in providing us with much needed extra assistance during our larger scale fundraising events. 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.

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Public benefit statement

mothers2mothers' public benefit is enshrined in its charitable objects as outlined previously.

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 confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'.

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.

Strategic report

The information below, including the achievements and performance, financial review, risk management statement and summary of future plans, forms the Strategic report for the purpose of the Companies Act 2006.

Achievements and performance

mothers2mothers (UK)'s main achievements during the year are both our success in mobilising resources on behalf of m2m, and increasing awareness of and advocating for the work that mothers2mothers does. These are discussed further in the 'Financial review and review of other UK activities' section following.

In terms of programmatic achievements, mothers2mothers' Mentor Mother Model continues to be proven effective in improving the health and wellbeing of mothers and children, and reducing mother-to-child transmission of HIV.

Since our founding at one Cape Town hospital in 2001, m2m has reached more than 1.5 million HIV-positive women in nine countries in sub-Saharan Africa. We consider that our programmatic platform is well aligned with current global health priorities – UNAIDS' 90-90-90 targets and the Sustainable Development Goals - and through our work in 2016 we have seen not only that mothers2mothers' Peer Mentor Approach is effective, but also that it is transferrable to multiple audiences and is able to deal with multiple health priorities. Furthermore, mothers2mothers' facility-to-community platform is effective in reaching a greater number and variety of clients than ever before.

In 2016:

- Our mother-to-child transmission rate is 1.6% (2.1% in 2015). We achieved virtual elimination for the third year in a row
- Our scale (Direct Service Delivery and Technical Assistance) continues to grow: 1,953,063 new clients reached
- Early uptake of Anti-Retroviral Therapy (ART) among m2m clients is 93%
- 98% of m2m clients are >80% adherent
- Our Integrated Service Platform is effective. It increases demand and promotes early booking
- We have successfully transformed our service delivery to be Family-Centred, aligned with a Life-Cycle Approach.

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Financial review and review of other UK activities

The Trustees and management team have been pleased and excited to see mothers2mothers (UK) enjoy a busy and successful year which has included a variety of awareness raising initiatives, fundraising events, partnerships, collaborations, campaigns and grants.

We have continued to build our various income streams in 2016, and worked hard to raise awareness and advocate for mothers2mothers in a number of ways, including within the online and social media space. mothers2mothers (UK) helps to manage the mothers2mothers website and various social media platforms, including Instagram, which continues to be a fast growing platform for us.

2016 also saw a number of staff changes and the creation of new roles with a view to helping consolidate and grow our various income lines in the future, including the creation of a new role: Head of Fundraising for Europe. We also successfully moved offices during 2016 and are now happily settled in new premises in North London.

We were delighted to welcome three new Trustees to the Board during 2016 with a further Trustee joining us in early 2017, taking our total number to eight. We believe our Trustees bring a broad and varied wealth of knowledge and experience to the organisation and are pleased that we have doubled our number from the start of 2016. This speaks to our board growth strategy and to the ways in which we have successfully recruited in accordance with our previous skills audit.

Our various activities in 2016 have consolidated a sustained period of growth over the past few years which have been driven by a number of different income streams and activities. The Trustees are pleased to report that mothers2mothers (UK)'s strategy of creating consistent and more predictable income streams is proving successful.

Advocacy, awareness and social media

It has been a busy year in terms of advocacy for mothers2mothers (UK). We have continued our memberships with BOND and STOPAIDS, attending meetings, inputting in papers and factsheets published by the consortiums and involving ourselves in global, viral campaigns.

Our spokeswomen and European Director have attended and spoken at a number of high level meetings and conferences in the U.K. and Europe this year advocating for mothers2mothers. Irene Nkosi, one of our spokeswomen, spoke at the 'Make Mothers Matter' conference in Brussels over International Women's Day, followed by a panel she attended with Emma France, our European Director, at Credit Suisse in London. In May, m2m UK Trustee, Carolina Manhusen Schwab travelled with Emma France to Copenhagen to attend the 'Women Deliver' conference, and the communications team in London provided support during m2m's Johnson & Johnson panel and presence at the 21st annual IAS conference in Durban.

We received national airtime during Sport Relief 2016, Comic Relief's biennial fundraising campaign, during which viewers were shown how their funding is changing lives in Kenya. Cameras captured the critical moments after a baby was born to an HIV-positive client of mothers2mothers. Viewers were brought inside a Kenyan health centre to watch as the baby received drops of a lifesaving medicine to help protect him from HIV. Witnessing this moment was Rochelle Humes, a UK TV presenter who together with her husband, singer Marvin Humes, spent time visiting m2m's programme in Kenya in 2016.

We continue to develop ways in which we engage with audiences using multiple and varied media and to grow the various platforms we are using. Instagram continues to be an increasingly important platform creating

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awareness and fundraising relationships and partnerships. Twitter and Facebook continue to grow following at a regular, positive pace, sharing our messaging across the world to our following.

Over World AIDS Day 2016, m2m spokeswoman Sanelisiwe Nkomo travelled to London to take part in a number of high profile, awareness and advocacy activities. Sanelisiwe took part in interviews on 1 December with BBC News, BBC World, Sky News, BBC Facebook Live and Channel 4 with Jon Snow which alone had 201,000 views on Facebook. During her time in London, Sanelisiwe was also interviewed by Marie Claire and the International Business Times. On the eve of World AIDS Day Sanelisiwe spoke on the 'HIV Integration' panel at the STOPAIDS Conference and during this conference she also met and spoke directly with Nnaba Mandela, the grandson of Nelson Mandela.

m2m UK has continued its efforts this year to align and involve itself in large global, viral social media campaigns in order to advocate for the women we serve and grow our social media presence. In the week ahead of the United Nations General Assembly in New York our CEO Frank Beadle de Palomo was featured on a screen in Times Square declaring 'What I Really Really Want' as a part of the UN's 'Global Goals' Campaign. Frank was picked up by the campaign and used to boost male involvement.

Unrestricted income

Cycle to Zero – Malawi 2016

The largest contributor to unrestricted income during 2016 was from our overseas challenge event, 'Cycle to Zero Malawi 2016'. On 27 May 2016, 40 intrepid cyclists from around the world set out on an epic 250km adventure through the lush landscape of Malawi. The challenge event took the team from the Southern Highlands of Malawi, all the way to the Zomba Plateau and beyond, up the coast to Cape Maclear, all whilst raising funds and awareness for mothers2mothers' lifesaving work.

Cycle to Zero not only gave our donors a unique opportunity to see the impact that m2m Mentor Mothers have in health clinics and their communities each and every day, it also allowed them to visit the beautiful "warm heart" of Africa, meeting the m2m Malawi team, our Mentor Mothers and members of the local communities along the way. The event was greatly enjoyed by all and we are so proud of our cyclists and their supporters for their immense fundraising efforts.

We are extremely grateful to this dedicated group of individuals who supported us in our second 'Cycle to Zero' event and we would like to thank them all for their support and enthusiasm before, throughout and since the challenge. We would also like to extend our great thanks to our corporate supporters of the event and also to our colleagues in the m2m Malawi office who ensured the logistics of the event ran smoothly. It is now hoped that we will continue to hold this event on a biennial basis and planning is already underway for 2018.

'Celebrating 15 Years of Wonder Women' event at Annabel's

Another contributor to unrestricted income, which also helped increase our profile, was a fundraising evening 'Celebrating 15 years of Wonder Women,' held at Annabel's Private Members Club. One of our Trustees, Samantha Bond, hosted an evening of dinner and dancing alongside a musical performance by Sophie Ellis-Bexter.

The evening generated a great amount of publicity in, amongst other publications, The Evening Standard, Red Magazine, ES Magazine and Hello! Magazine.

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Other collaborations, partnerships and fundraising events

We also undertook a number of other events and collaborations during 2016 including an exclusive evening of out-of-hours shopping and live entertainment at iconic department store, **Liberty**, for 150 guests. Hosted by Mollie King and Samantha Bond, the star-studded evening, 'Gifts for Goddesses', included a cocktail reception, 10% discount for shoppers throughout the store, and the opportunity to hear m2m Mentor Mother and Spokeswoman Irene Nkosi speak. The event garnered press and social media activity and a video was created by the marketing team at Liberty that was hosted on their website and social media following the event and included content from m2m, influencers, guests and celebrities on the night. A percentage of all profits made on the night were donated to mothers2mothers, through its trading company, m2m Europe Enterprises Limited.

A partnership with **The Lanesborough Hotel** also took place in early 2016. Over Mother's Day, and for an extended period in March, the hotel hosted a special afternoon tea on their menu in support of mothers2mothers, with £5 from every tea sold being donated to m2m. The partnership caught the eye of various press outlets, achieving coverage in Town & Country, Evening Standard and Good Housekeeping. Income from this partnership was also received into the trading company.

We were also extremely excited to become a beneficiary of ongoing support and donations from Molly Gunn, founder of Blogzine **Selfish Mother**, who created clothing to specifically support m2m. Sweatshirts and Tees with logos such as 'MAMA,' 'Maverick' and 'FMLY' were sold online, in John Lewis and on notonthehighstreet.com.

Community Fundraising

A number of community-led fundraising events took place during the year including fundraisers who supported us in their sporting achievements as well as those organising specific social events. These activities ranged from events as varied as full and half marathons to 10km runs to sponsored cycle events and even a pub quiz! We would like to extend our thanks to all of those individuals who not only gave their time but also their enthusiasm and energy to support mothers2mothers. We continue to build our community fundraising and are looking forward to further events taking place in 2017.

Restricted income

Restricted income was received from a number of sources during the year, as detailed in note 17.

We continued to be supported in 2016 by existing grants from Comic Relief and The Denise Coates Foundation. We were also awarded two new grants in respect of our programmes in Malawi.

ICAP Charity Day

2016 drew to a close with mothers2mothers' involvement in ICAP Charity Day. Our support from ICAP will fund m2m's critical adolescent initiative in South Africa which will enable us to reach some of the most vulnerable, at risk adolescent girls and young women in South Africa.

During the day, we were joined by our Founder Dr. Mitch Besser, m2m Trustee Samantha Bond, and some of our wonderful celebrity supporters. . Our guests became brokers for the day, negotiating hard and helping to close billion pound deals! On the day, we joined forces with another of ICAP's beneficiaries, Sentebale, in hosting a #BiketoBeatHIV Cycle Challenge, amplifying the voices of young people affected by HIV in sub-Saharan Africa. We were thrilled to welcome so many guests who went head to head in a 750m cycle sprint.

We would like to thank all of our supporters and funders during 2016 for their incredible support.

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We are also very grateful to Victoria Wall and Victoria Wall Associates for their continued support of the organisation.

The activities of mothers2mothers (UK) resulted in the granting of sub awards to mothers2mothers SA totalling £1,055,410 in 2016 (2015: £462,914) as well as an additional donation of £150,000 (2015: £100,000) to help fund the various programmes supported by mothers2mothers.

Support for the wider mothers2mothers organisation

In addition, mothers2mothers (UK) continues to provide invaluable support to mothers2mothers SA in helping it grow other trust, foundation and institutional donors.

The European Director, along with other senior members of the management team of mothers2mothers (UK), spent considerable time in 2016 developing and stewarding other institutional relationships, such as with European bilateral funders, the Elton John AIDS Foundation (EJAF), Porticus 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. Income received as a result of these relationships which mothers2mothers (UK) has helped steward is received directly into mothers2mothers SA.

Investment powers and policy

In line with mothers2mothers (UK)'s purposes, the majority of unrestricted reserves is distributed through annual unrestricted donations 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 remaining amounts of cash will be held in bank deposits for a relatively short length of time, and therefore negates the need or potential for investments to be held in the UK.

Grant making policy

mothers2mothers (UK) makes sub awards and donations to mothers2mothers SA in furtherance of its charitable objectives. These are made in accordance with both the reserves policy of mothers2mothers (UK) and mothers2mothers' needs.

Risk management

The Trustees consider that the principal risks and uncertainties facing the organisation are:

- An over reliance on specific key fundraising events
- The loss of key staff and therefore the loss of institutional knowledge
- The incorrect view that the issue of HIV/AIDS is 'solved' and the potential for donors to no longer be engaged
- The relatively unstable domestic and global economic and political climate which may cause our donors to want to change their level of giving because they are more cautious or which may result in strategic changes for certain institutional funders
- The ability to continue to raise sufficient unrestricted income within the UK and European landscape.

In order to mitigate these risks, the Trustees and management have put in place the following controls, systems and procedures:

- More varied income streams are being developed strategically (and have been over the last five years) which are proving successful in generating consistent and reliable sources of income for the organisation
- Regular appraisal meetings with all employees take place in order to ensure that staff engagement remains high and succession planning with regards to key staff is being undertaken. Opportunities for

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further development and promotion are available to employees as the team expands. We also ensure that all institutional knowledge is recorded in a CRM system

- Management ensure that significant time and effort is spent creating regular communications to be shared with our donors. We also organise regular events which donors can attend in order to stay engaged with the mothers2mothers story. This includes opportunities for us to bring our work to donors as well as organising events that take our donors to the programmatic work of mothers2mothers. We continue to innovate to find ways to do this well and to engage new and varied audiences
- We have spent time building strong relationships with our donors by adopting an integrated, European approach to fundraising whilst taking a “wait and see” approach to understanding the impact on the organisation of the broader political and economic landscape
- Significant time and attention is being focused on expanding various unrestricted income streams including growing our regular giving.

A formal risk register exists which includes documentation of the controls in place to mitigate all the risks identified as applicable to the organisation and this register is periodically reviewed and updated by the Trustees.

Going concern

The Trustees and management have reviewed the budgets and forecasts in line with the strategic plan of the organisation and consider that it is therefore appropriate to prepare these financial statements on a going concern basis.

Results for the year

Income for the 12 months to 31 December 2016 totalled £1,758,683 (2015: £2,032,932) of which £1,062,300 relates to restricted income (2015: restricted income £1,043,015). The overall figure includes gifts and services in kind which are required to be valued and included within income for the year. In 2016, such gifts and services in kind amounted to £31,214 (2015: £179,281).

The decrease in total income from 2015 is in line with management’s expectations given the types of fundraising activities that took place in 2015 as compared to 2016. It is anticipated that both unrestricted and hence total income will increase in 2017.

There were net incoming resources for the year of £27,673 (2015: £856,746) of which £51,005 (2015: £291,264) relates to unrestricted incoming resources. This was in line with the organisation’s strategy not to significantly strengthen its reserve position any further in 2016. As a result, unrestricted reserves carried forward at 31 December 2016 increased to £475,127 from £424,122 at 31 December 2015. It is anticipated that the level of reserves will now stay broadly at this level going forward (as discussed below).

Financial reserves

The board and management have determined that “free” reserves (i.e. unrestricted reserves) should normally be maintained to at least 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 six months of operational costs unless approved by the Trustees in exceptional circumstances. The Trustees aim to ensure that future unrestricted reserves will not fall below this level unless in exceptional circumstances.

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Total reserves at 31 December 2016 are £1,017,277, of which free reserves are £475,127. None of the free reserves have been designated or committed for any specific purpose. The Trustees acknowledge that the level of free reserves is a little higher than the reserves policy that has been set. However, in the context of the current economic climate and consequent uncertainties, the Trustees consider that this level is appropriate for the current circumstances.

Summary of future plans

mothers2mothers (UK)'s future plans are broadly twofold. Firstly, to continue its investment in the European office and grow its income, donor base and revenue in a sustained and consistent way in the long term. As part of this plan, the decision was made in 2017 for mothers2mothers (UK) to take on more office space adjacent to the current new office space in order to facilitate envisaged growth and expansion. Furthermore, management have continued to invest in new fundraising staff in order to create posts that focus on specific fundraising streams. Secondly, mothers2mothers (UK)'s plans are 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, including Mozambique, where m2m programmes will launch in 2017.

In line with mothers2mothers (UK)'s strategic plan, the Trustees envisage that 2017 will achieve a higher level of unrestricted income due to the fourth biennial fundraising event, which is planned to take place in November 2017. In terms of restricted income, it is envisaged that the level of income from restricted sources will remain broadly similar.

Future programmatic developments for mothers2mothers include:

Digital Health

m2m continues to adapt its programmes to create intergenerational approaches for measurable and sustainable long-term impact on the health and well-being of individuals, families and communities (e.g., reduced viral loads, transmission of HIV, and HIV incidence), and to integrate innovative Digital Health infrastructure and systems to better achieve these key programme objectives. Providing quality family-centred integrated care creates the need for more robust client management and follow up initiatives, and m2m's Digital Health infrastructure and systems play a crucial role in facilitating better quality assurance and supportive supervision.

Digital Health remains one of m2m's key strategic organizational priorities to enhance quality service delivery, offer sustainable solutions to improved client management and, subsequently, improve client outcomes, as well as improving routine M&E and Operations Research for improved programme management.

With the introduction of digital health technology, the complexities and challenges presented by Option B+, Universal Treatment, UNAIDS 90-90-90 targets, and community-based, family-centered service provision become more manageable. Linking clients to and tracking uptake of services provided through differentiated care, as well as monitoring referral outcomes, become possible in ways that transcend the limitations of paper-based client and programme management.

Strengthen paediatric case finding and linkages to HIV care and treatment for children aged 0-12 years

HIV testing among children is the entry point into effective paediatric HIV care and treatment, yet it remains one of the least-utilized interventions across many countries. Goals for paediatric case finding and linkages to HIV testing, care, and treatment for children between 0-2 years old were not fully achieved under the Global Plan campaign. Early infant diagnosis, including the final test among children, remained low across many countries for children under 18 months in 2013, an indication of poor paediatric case finding and linkages to HIV care and treatment.

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m2m will continue to identify and link children between 0-2 years who fell through the PMTCT cascade and older children up to 12 years of age who have never been tested for HIV or had interrupted treatment. In order to achieve this, m2m will map paediatric client flow and position Mentor Mothers in strategic workstations across all these departments within the facility for potential high yield of HIV-exposed infants and positive children. These stations will include paediatric wards, outpatient clinics, nutrition units, and Under-5 Clinics where Provider Initiated Counselling and Testing (PICT) should be performed routinely.

At the community level, Mentor Mothers are well positioned to identify and refer all children within households they visit for HIV testing. For each HIV-positive child identified at the facility and the community, m2m will support the child-caregiver through the critical journey of ART initiation, adherence to treatment and retention in care. Mentor Mothers are then equipped with special training and will work directly with children to facilitate an age-tailored disclosure process and general support. All of these interventions will be tailored towards specific needs of the child and their caregivers.

Structure, governance and management

The Trustees who served during the year are set out on page 2. The power of appointing new Trustees is vested in the existing Trustees of mothers2mothers (UK). The following new Trustees were appointed during the year:

Samantha Bond, also known as Samantha Hanson-Akins (appointed 18 February 2016)

Dr Timothy Evans (appointed 11 October 2016)

Louise Palmer (appointed 8 December 2016).

On 26 January 2017, Stephanie Power was also appointed as a Trustee, taking our total number of Trustees to eight. All have quickly become full and active members of the Board of Trustees.

The organisation will continue to look to strategically recruit new Trustees to the Board on the basis of organisational needs and growth trajectory. 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.

One third (or the number nearest one third) of the Trustees must retire at each Annual General Meeting, those longest in office retiring first and the choice between any of equal service being made by drawing lots. A retiring Trustee who remains qualified may be reappointed.

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. The European Director also sits on the global Senior Management Team of mothers2mothers and strategic decisions made by mothers2mothers (UK) are consistent with the overall strategic plan of mothers2mothers.

Induction and training of Board members

Trustees' skills are reviewed regularly to ensure that they meet the requirements of the organisation. New Trustees are inducted into the charity by discussions between themselves and other Trustees, and members of staff, as opportunities arise. They are presented with background information and have access both to mothers2mothers' and to the Charity Commission's websites. Trustees also attend relevant training for trustees given by external providers, where necessary.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2016**

Management personnel

The Trustees consider that the key management personnel in 2016 consisted of the European Director, the Head of Fundraising and the Finance and Operations Manager.

The remuneration of key management is based on experience and level of responsibility, and is benchmarked against industry standards for similar roles. It is reviewed on an annual basis based on both the individual employee's and organisation's performance. It is overseen by the Chair of the Board of Trustees.

Together the management personnel received remuneration of £165,465 in 2016 (2015: £157,311).

Relationship with the charity and related parties including its subsidiaries

Related parties

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

mothers2mothers South Africa SA ("mothers2mothers SA"), based in Cape Town, South Africa, and mothers2mothers International Inc. ("mothers2mothers International), based in Los Angeles, USA, are considered to be related parties by virtue of their shared missions. Related party transactions with these entities are included in the notes to these financial statements.

Each of the Trustees is also considered to be a related party to mothers2mothers (UK).

Subsidiaries

On 4 March 2016, a new wholly owned trading company, m2m Europe Enterprises Limited, company number 10043425, was created whose shares are entirely owned by mothers2mothers (UK) Limited. The profits of m2m Europe Enterprises Limited totalling £16,693 in 2016 (2015: £nil) were donated, under Gift Aid, to mothers2mothers (UK) Limited. The financial statements of m2m Europe Enterprises Limited have not been consolidated with those of mothers2mothers (UK) Limited as they are not considered material to the overall group position.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2016**

Statement of the Board's responsibilities

The trustees (who are also directors of mothers2mothers (UK) Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in 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.

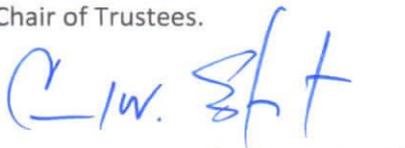
The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to auditors

The members of the Board who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the members of the Board have confirmed that they have taken all steps that they ought to have taken as members of the Board in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Report of the Members of the Board, which includes the Strategic Report on pages 7 to 15 were approved by the Board on 27 July 2017 and signed on their behalf by:

Chair of Trustees.


CARL W. STEWART

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
FOR THE YEAR ENDED 31 DECEMBER 2016**

We have audited the financial statements of mothers2mothers (UK) Limited for the year ended 31 December 2016 set out on pages 19 to 34. 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), including Financial Reporting Standard FRS 102.

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 Report of the Trustees 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 2016 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.

Other matters prescribed by the Companies Act 2006

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

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

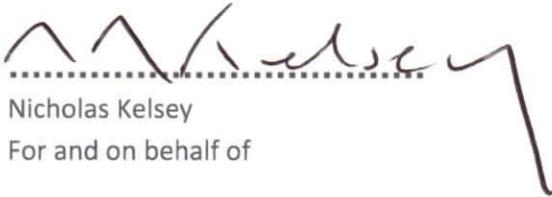
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
FOR THE YEAR ENDED 31 DECEMBER 2016**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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 LLP
Chartered Accountants
Statutory Auditors
71 Queen Victoria Street
London
EC4V 4BE

Date: 1 August 2017

Saffery Champness is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Unrestricted £'s	Restricted £'s	Total 2016 £'s	Total 2015 £'s
Income and endowments from:					
Donations and legacies	2	382,389	985,562	1,367,951	1,171,934
Charitable activities	3	-	76,738	76,738	113,083
Other trading activities	4	313,994	-	313,994	647,915
Other	5	-	-	-	100,000
Total		<u>696,383</u>	<u>1,062,300</u>	<u>1,758,683</u>	<u>2,032,932</u>
Expenditure on:					
Raising Funds (incl. other trading activities)	6	416,112	-	416,112	528,903
Charitable activities (incl. grants and donations)	7	229,266	1,085,632	1,314,898	647,283
Total	8	<u>645,378</u>	<u>1,085,632</u>	<u>1,731,010</u>	<u>1,176,186</u>
Net income		<u>51,005</u>	<u>(23,332)</u>	<u>27,673</u>	<u>856,746</u>
Reconciliation of funds:					
Total funds brought forward		<u>424,122</u>	<u>565,482</u>	<u>989,604</u>	<u>132,858</u>
Total funds carried forward	17/18	<u>475,127</u>	<u>542,150</u>	<u>1,017,277</u>	<u>989,604</u>

There were no other gains and losses during the year other than those included within the statement of financial activities. All activities relate to continuing operations. The profit for the purposes of the Companies Act 2006 is the net incoming resources before unrealised losses/gains.

**BALANCE SHEET
AS AT 31 DECEMBER 2016**

	Notes	2016 £'s	2015 £'s
Fixed Asset			
Investments	12	1	-
Tangible assets	13	-	-
Total fixed assets		<u>1</u>	<u>-</u>
Current assets			
Debtors	14	339,821	117,585
Cash at bank and in hand		710,196	918,367
Total current assets		<u>1,050,017</u>	<u>1,035,952</u>
Liabilities			
Creditors:			
Amounts falling due within one year	15	(32,741)	(46,348)
Amounts falling due greater than one year	16	-	-
Net liabilities		<u>(32,741)</u>	<u>(46,348)</u>
Pension provision		-	-
Net current assets		<u>1,017,276</u>	<u>989,604</u>
Total net assets or liabilities		<u>1,017,277</u>	<u>989,604</u>
The funds of the charity			
Restricted income funds	17	542,150	565,482
Unrestricted funds	18	475,127	424,122
Revaluation reserve		-	-
Total funds		<u>1,017,277</u>	<u>989,604</u>

These accounts were approved by the Board on 27 July 2017.



Carl Stewart

Chair of Trustees

The notes on pages 21 to 34 form part of these accounts

Company number 5981078

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 £'s	2016 £'s	2015 £'s	2015 £'s
Cash flows from operating activities:					
Net cash (used in)/provided by operating activities	19		(208,171)		726,830
Cash flows from investing activities			<u>-</u>		<u>-</u>
Cash flows from financing activities			<u>-</u>		<u>-</u>
Change in cash and cash equivalents in the reporting period			<u>(208,171)</u>		<u>726,830</u>
Cash and cash equivalents at the beginning of the reporting period			918,367		191,537
Cash and cash equivalents at the end of the reporting period	20		<u>710,196</u>		<u>918,367</u>

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1

Accounting policies

1.1 Basis of accounting

The financial statements have been prepared under the historical cost convention, with the exception of listed investments which are included at their market value. The financial statements have been prepared in accordance with the Charity Commission Statement of Recommended Practice - Accounting and Reporting by provisions of the Charities SORP (FRS 102) – Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (effective 1 January 2015).

The Trustees confirm that the Charity is a public benefit entity.

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 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 Expenditure on raising funds

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

1.3.2 Expenditure on 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 the activity and are allocated on the basis of time allocation spent on the activity in the year.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2016

Accounting policies (Continued)

1.3.3 Governance

This represents the 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 and have been allocated into appropriate cost categories.

1.4 Funds

General (unrestricted) funds

General funds are donations and other incoming resources receivable or generated for the objects of 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.

1.5 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
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1.6 Pension scheme

The organisation operates a defined contribution pension scheme.

The contribution made by mothers2mothers (UK) Limited is restricted to the contributions disclosed in note 11. The costs of the defined contribution scheme are allocated to staff costs and represent the contributions payable by mothers2mothers (UK) Limited during the year. mothers2mothers (UK) Limited has no liability beyond making its contributions and paying across deductions for the employees' contribution.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2016

2 Donations and legacies

	Unrestricted income £'s	Restricted income £'s	2016 £'s	2015 £'s
Grants and donations	351,175	985,562	1,336,737	992,653
Gifts & services in kind*	31,214	-	31,214	179,281
	<u>382,389</u>	<u>985,562</u>	<u>1,367,951</u>	<u>1,171,934</u>

*Relates to donated goods and services.

3 Charitable activities

	Unrestricted income £'s	Restricted income £'s	2016 £'s	2015 £'s
Grants and contracts *	-	76,738	76,738	113,083
	<u>-</u>	<u>76,738</u>	<u>76,738</u>	<u>113,083</u>

*Relates to income received from mothers2mothers SA in respect of mothers2mothers (UK) seconded employees

4 Other trading activities

	Unrestricted income £'s	Restricted income £'s	2016 £'s	2015 £'s
Income from fundraising events	313,994	-	313,994	647,915
	<u>313,994</u>	<u>-</u>	<u>313,994</u>	<u>647,915</u>

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2016

5 Other income

	Unrestricted income £'s	Restricted Income £'s	2016 £'s	2015 £'s
Other	-	-	-	100,000
	-	-	-	100,000

Other income in 2015 relates to the write off of a loan from mother2mothers International during that year.

6 Expenditure on raising funds

	Unrestricted £'s	Restricted £'s	2016 £'s	2015 £'s
Fundraising and awareness raising costs	323,593	-	323,593	209,272
Events costs	48,238	-	48,238	128,053
Governance costs	13,067	-	13,067	12,297
Gifts & services in kind	31,214	-	31,214	179,281
	416,112	-	416,112	528,903

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2016

7 Expenditure on charitable activities

Expenditure on charitable activities includes donations and sub awards made to mothers2mothersSA, as well as an allocation of total governance costs, as follows:

	Unrestricted donations £'s	Grant funding £'s	Other costs* £'s	2016 £'s	2015 £'s
Comic Relief	-	583,486	-	583,486	243,661
LJC Fund Limited	-	-	-	-	40,000
Denise Coates Foundation	-	375,408	-	375,408	66,810
Hunter Foundation	-	50,000	-	50,000	-
Global Gift Foundation	-	-	-	-	13,979
mothers2mothers SA	150,000	76,738	66,199	292,937	270,536
Governance	-	-	13,067	13,067	12,297
	<u>150,000</u>	<u>1,085,632</u>	<u>79,266</u>	<u>1,314,898</u>	<u>647,283</u>

*Other costs include certain staff costs and other direct costs relating to charitable activities.

Restricted grant funding totalling £1,085,632 includes grants paid directly to mothers2mothers SA during the year of £1,055,410.

Under the previous SORP, governance costs were separately allocated on the face of the Statement of Financial Activities.

	Unrestricted £'s	Restricted £'s	Total 2016 £'s	Total 2015 £'s
Charitable activities	229,266	1,085,632	1,314,898	647,283
	<u>229,266</u>	<u>1,085,632</u>	<u>1,314,898</u>	<u>647,283</u>

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2016

8 Total expenditure

	Staff costs (note 10)	Fund-raising event costs	Gifts in kind	Grants & sub awards made to m2mSA *	Direct support Costs (note 9)	Govern-ance (below)	Total 2016	Total 2015
	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s
Raising funds and awareness	190,148	48,238	31,214	-	143,632	2,880	416,112	528,903
Charitable activities	181,189	-	-	1,130,829	-	2,880	1,314,898	647,283
	371,337	48,238	31,214	1,130,829	143,632	5,760	1,731,010	1,176,186

* Grants and sub awards made to mothers2mothers SA include donations, sub awards and other sundry direct programmatic costs not included elsewhere.

	2016 £'s	2015 £'s
Total resources expended are stated after charging:		
Auditors' remuneration - audit	5,760	7,000
Depreciation	-	53
	<u>5,760</u>	<u>7,053</u>

9 Analysis of support costs

Direct support costs, as disclosed in note 9, are analysed below:

	2016 £'s
Office supplies	11,845
Consultants, legal & other advisory	46,491
Recruitment	12,537
Rent, rates and other office related costs	31,762
Equipment	6,395
Travel and related costs	12,180
Other	22,422
	<u>143,632</u>

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

10 **Staff costs**

	2016	2015
	£'s	£'s
Salaries and wages	338,135	316,778
Social security costs	32,456	33,602
Other pension costs	746	-
	<u>371,337</u>	<u>350,380</u>

Employees and volunteers

The average number of employees, analysed by function was:

Fundraising	7	7
Management and administration	1	1
	<u>8</u>	<u>8</u>

Included within the wages and salaries costs above are seconded staff costs of £75,611 (2015: £109,817) which relate to supporting mothers2mothers SA.

Board's and employees' emoluments

Members of the Board did not receive any remuneration or benefits in kind during the period. Costs incurred by the Board travelling on charity business and reimbursed to them amounted to £nil (2014: £nil).

Total donations received from 5 Members of the Board in 2016 were £55,681 (2015: 4 Members - £37,150).

One employee received emoluments of between £90,001 and £100,000 (2015: £90,001 to £100,000).

Total remuneration of key management personnel in the period was £165,465 (2015: £157,311).

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

11 Pension arrangements

In September 2016, in line with statutory government legislation pertaining to workplace pensions, the organisation commenced making contributions into a workplace pension scheme for qualifying employees. mothers2mothers (UK) Limited operates a defined contribution pension scheme in respect of employees. The scheme and its assets are held by independent managers. There were nine employees to whom benefits were accruing under the pension scheme (2015: nil).

During 2015, there was no company pension scheme in place and no pension contributions were made to employees during that year.

12 Investments

	Total £'s
Cost	
1 January 2016	-
Additions	1
Disposals	-
At 31 December 2016	<u>1</u>
Net book value	
At 31 December 2016	<u>1</u>
At 31 December 2015	<u>-</u>

On 4 March 2016, a new wholly owned trading company, m2m Europe Enterprises Limited, company number 10043425, was created. Its one share is owned by mothers2mothers (UK) Limited.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2016

13 Tangible assets	Equipment £'s	Other £'s	Total £'s
Cost or donated value			
1 January 2016	3,186	-	3,186
Additions	-	-	-
Disposals	-	-	-
At 31 December 2016	<u>3,186</u>	<u>-</u>	<u>3,186</u>
Depreciation			
1 January 2016	3,186	-	3,186
Charge for the year	-	-	-
Disposals	-	-	-
At 31 December 2016	<u>3,186</u>	<u>-</u>	<u>3,186</u>
Net book value			
At 31 December 2016	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2015	<u>-</u>	<u>-</u>	<u>-</u>

14 Debtors	2016 £'s	2015 £'s
Amounts due from mothers2mothers SA	6,068	62,991
Amounts due from m2m Europe Enterprises Ltd	8,099	-
Other debtors	325,654	54,594
	<u>339,821</u>	<u>117,585</u>

Other debtors are made up of grants and pledges receivable, accrued income and other prepayments, and were collected in early 2017.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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

	2016 £'s	2015 £'s
Accruals and deferred income	32,741	46,348
	<u>32,741</u>	<u>46,348</u>

There was no deferred income at 31 December 2016. The deferred income that existed at 31 December 2015 related to event registration fees pertaining to the cycle challenge event, 'Cycle to Zero Malawi 2016', which took place in 2016.

16 **Creditors: Amounts falling due greater than one year**

There were no creditors falling due in greater than one year as at 31 December 2016 or 31 December 2015.

17 **Restricted Income funds**

These funds have been set aside for certain projects relating to the terms and conditions of specific grants or contracts. It is anticipated that these funds will be used over the coming months and years as the expenditure for which these funds were received is incurred.

	Balance 1 Jan 2016 £'s	Incomings £'s	Outgoings £'s	Gains/ (losses) & Transfers £'s	Balance 31 Dec 2016 £'s
mothers2mothers SA	-	76,738	(76,738)	-	-
Comic Relief	380,292	413,951	(583,486)	-	210,757
The Hunter Foundation	-	50,000	(50,000)	-	-
Be One PerCent Foundation	-	4,760	-	-	4,760
ICAP	-	200,000	-	-	200,000
Denise Coates Foundation	185,190	316,851	(375,408)	-	126,633
	<u>565,482</u>	<u>1,062,300</u>	<u>(1,085,632)</u>	<u>-</u>	<u>542,150</u>

The income and costs relating to mothers2mothers SA of £76,738 relate to seconded staff costs.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2016

18 **Unrestricted funds**

These funds represent all other funds that are not specifically restricted, as discussed in note 17.

	Balance 1 Jan 2016 £'s	Incomings £'s	Outgoings £'s	Balance 31 Dec 2016 £'s
General funds	424,122	696,383	(645,378)	475,127
Total unrestricted funds	<u>424,122</u>	<u>696,383</u>	<u>(645,378)</u>	<u>475,127</u>

19 **Reconciliation of net income to net cash flow from operating activities**

	2016 £'s	2015 £'s
Net income for the reporting period (as per the statement of financial activities)	27,673	856,746
Depreciation	-	53
Interest	-	-
Increase in debtors	(222,237)	(53,701)
Decrease in creditors	(13,607)	(76,268)
Net cash (outflow)/inflow from operating activity	<u>(208,171)</u>	<u>726,830</u>

20 **Analysis of cash and cash equivalents**

	2016 £'s	2015 £'s
Cash in hand	217	399
Cash at bank	<u>709,979</u>	<u>917,968</u>
	<u>710,196</u>	<u>918,367</u>

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

21 Related parties

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 note 15 of these financial statements. Amounts received from mothers2mothers South Africa SA are included in note 14. The total amount awarded from mothers2mothers (UK) Limited to mothers2mothers South Africa SA during the year in sub awards, grants and donations amounted to £1,055,410 (2015: £464,450). The total charitable expenditure relating to costs associated with supporting mothers2mothersSA, including an allocation of governance costs, in 2016 is £1,314,898 (2015: £647,283) and is included in note 8 to these financial statements.

On 4 March 2016, a new wholly owned trading company, m2m Europe Enterprises Limited, company number 10043425, was created whose shares are entirely owned by mothers2mothers (UK) Limited. The profits of m2m Europe Enterprises Limited totalling £16,693 in 2016 (2015: £nil) were donated, under Gift Aid, to mothers2mothers (UK) Limited. An amount of £8,099 was due from m2m Europe Enterprises Limited to mothers2mothers (UK) Limited at 31 December 2016 (2015: £nil).

Total donations received from 5 Members of the Board in 2016 were £55,681 (2015: 4 Members - £37,150).

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2016

22 Comparative information – Statement of Financial Activities in 2015

	Unrestricted income £'s	Restricted income £'s	Total 2015 £'s
Income and endowments from:			
Donations and legacies	242,002	929,932	1,171,934
Charitable activities	-	113,083	113,083
Other trading activities	647,915	-	647,915
Investments	-	-	-
Other	100,000	-	100,000
Total	<u>989,917</u>	<u>1,043,015</u>	<u>2,032,932</u>
Expenditure on:			
Raising Funds (incl. other trading activities)	528,903	-	528,903
Charitable activities (incl. grants and donations)	169,750	477,533	647,283
Other	-	-	-
Total	<u>698,653</u>	<u>477,533</u>	<u>1,176,186</u>
Net gains/(losses) on investments	-	-	-
Net income	<u>291,264</u>	<u>565,482</u>	<u>856,746</u>
Transfers between funds	-	-	-
Other recognised gains/(losses):			
Other gains/(losses)	-	-	-
Net movement in funds	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation of funds:			
Total funds brought forward	<u>132,858</u>	<u>-</u>	<u>132,858</u>
Total funds carried forward	<u>424,122</u>	<u>565,482</u>	<u>989,604</u>

There were no other gains and losses during the year other than those included within the statement of financial activities. All activities relate to continuing operations. The profit for the purposes of the Companies Act 2006 is the net incoming resources before unrealised losses/gains.