

Trustees' Report and Financial Statements

For the year ended 31 March 2023

Mildmay Mission Hospital

Consolidated Accounts

Charity Reg No. 292058

Company Reg No 1921087

Mildmay Mission Hospital

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Mildmay Mission Hospital

INTRODUCTION

The 2022/23 financial year has been a year where we have seen the end of the world coronavirus pandemic COVID19, the highest sustained inpatient numbers on record and in spite of this a financial deficit. Early in the year the Board of Trustees met with members of the Senior Management Team to agree a new strategic plan for the next three to five years. This will shape the direction of the charity as we move towards the future with an increased range of inpatient services and more integration with both our NHS and our third sector partners.

Inpatient numbers across all of the three pathways have continued to be at their highest levels in the recent history of the hospital. Over half the hospital inpatient beds (18) continued to be block booked throughout 2022 and 2023 for homeless patients stepped down from NHS Acute Trusts across London for secondary care and rehabilitation and for the inpatient pathway treating homeless patients stepped down from their detox treatment at Guys and St Thomas' Hospital. The remaining beds were available for HIV patients that because the hospital was not able to keep up with demand saw a significant waiting list.

The newly formed Integrated Care Boards (ICBs) that replaced the Clinical Commissioning Groups (CCGs) have spent most of the year trying to find their feet and this has resulted in invoices not being paid for work on time. As a charity this causes us some challenges for cash flow as none of the newly formed organisations settle their accounts within the recommended thirty days for their suppliers of services or products.

The introduction of the hospital's electronic patient record system has seen a huge change in the way in which the hospital collects and stores essential patient information. Whilst there are still elements of the system that are not working as they should be the vast majority works well.

The hospital has performed extremely well in both the Infection Prevention and Control (IPC) and the Patient Lead Assessment of the Care Environment (PLACE) inspections.

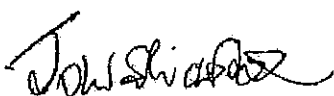
Mildmay re-introduced international recruitment of nurses after a break of almost fifteen years. This has proved extremely successful and the new members of the team have integrated quickly to become important members of the Mildmay family.

Perhaps the biggest challenge of the financial year has been keeping control of expenditure when the cost of services, utilities, food and staffing has risen significantly. Because our contract prices are fixed at the beginning of the financial year this presents the charity with very real financial difficulties. Added to this the cost of the new Electronic Patient Record System and the cost of international recruitment and the problem becomes even bigger.

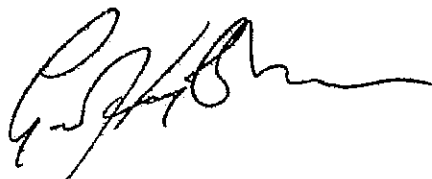
The Board of Trustees continued to meet throughout the year both in person and using Zoom. This continues to allow participation for Trustees even if they are unable to travel to London. The CEO made two trips to Kenya and Uganda in May and in January accompanied by a number of the Trustees.

The charity continues to benefit from a good sized Board with a range of both business and clinical experience. This experience has been particularly useful as we have had to deal with more challenges than usual.

We would like to thank all of our supporters, staff, volunteers, churches, trusts, and our statutory partners for supporting the charity throughout the year. In particular, the Healthy London Partnership, our NHS Commissioners and our local member of parliament who time and time again has stood up and supported us.



Rev John Richardson
Chair of Trustees



Geoff Coleman
Chief Executive Officer

Mildmay Mission Hospital

Report of the Trustees for the year ended 31 March 2023

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the consolidated financial statements of the charity and its subsidiary for the year ended 31st March 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Reference and Administrative Details

Mildmay Mission Hospital is a registered charity and is a company limited by guarantee. It is a non-denominational Christian charity.

Charity Number: 292058
Company number: 1921087

The Charity currently has one subsidiary company, through which it fulfils its mission - Mildmay International Ltd (Company number: 3172032).

Registered office Mildmay Mission Hospital
19 Tabernacle Gardens
London E2 7DZ

Auditors: Shona Wardrop C.A.
Chariot House
Chartered Accountants and registered Auditors
44 Grand Parade, Brighton BN2 9QA

UK Bankers Royal Bank of Scotland
London St Mary Axe Office
54 Lime Street
London EC3M 7NQ

Investment Managers CCLA Investment Management Limited
80 Cheapside
London
EC2V 6DZ

Mildmay Mission Hospital

Report of the Trustees for the year ended 31 March 2023

Trustees

The trustees serving during the year and since the year end were:

Chair of Trustees John Richardson

Trustees Ros Furlong
 Barry Rowan (died 1st April 2023)
 Carol Stone
 Andrew Warrilow
 Naggib Chakhane
 Anthony Curwen
 Lorna Priddle
 Andrew Wiles (resigned 26th April 2023)
 Laura Hayes
 Ian Clark
 Peter Brunskill

Company Secretary Geoff Coleman

Mildmay Mission Hospital

Report of the Trustees for the year ended 31 March 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Mildmay Mission Hospital is a company limited by guarantee governed by its Memorandum and Articles of Association dated 10 June 1985 and amended to allow for current governance arrangements on 27 April 1992, 24 March 1997 and 5th December 2016. It is a registered charity with the Charity Commission. Anyone over the age of 18 can become a member of the Company and each member agrees to contribute £1 in the event of the charity winding up.

Appointment of trustees

The directors of the company are also charity trustees for the purposes of charity law. Under the requirements of the Memorandum and Articles of Association, one third of the trustees retire by rotation each year and must be re-elected at the annual general meeting.

The board of trustees has power to appoint a trustee during the year. Any trustee so appointed must be re-elected at the subsequent annual general meeting.

Following an amendment to the governing documents on 5th December 2016 there is now no age restriction upon the appointment of trustees and no requirement to retire based on age.

Trustee Induction and Training

Potential new trustees are invited to attend a board meeting prior to appointment. Following appointment, new trustees undergo orientation to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the board of trustees and decision making processes, the business plan and recent financial performance of the charity. During the orientation they meet key employees and other trustees, and are given an overview of the activities of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Organisation

The board of trustees, which can have up to 15 members, administers the charity.

The Articles of Association require that there should be a minimum of 5 and a maximum of 15 trustees. During the year there were 12 trustees (on average).

The Board meets approximately four times a year. All have given their time and advice outside and beyond the board meeting. All new Trustees receive orientation and induction training.

Mildmay Mission Hospital

Report of the Trustees for the year ended 31 March 2023

Management

The Board has delegated responsibility for the implementation of the charity's objects and the operation of the charity's programmes. An Executive Director (Chief Executive Officer) is appointed by the trustees to manage the day to day operations of the charity. To facilitate effective operations, the Executive Director has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance and employment.

Risk Management

The trustees have conducted a review of the major risks to which the charity is exposed. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, clients, and visitors to the charity's projects. Clinical Risk oversight is exercised through the Clinical Governance Committee. A key element in the management of financial risk is the establishment of a reserves policy and its regular review by the trustees.

OBJECTIVES AND ACTIVITIES

The objects of the charity are:

- (1) the relief, healing and prevention of sickness as an expression of the Christian Faith demonstrating the love of Jesus Christ in action, and
- (2) the promotion of the effective use of charitable resources for the benefit of the public by the provision of services (including programme support, education, technical input and the sharing of clinical developments) to organisations involved in the relief, healing and prevention of sickness as an expression of Christian Faith demonstrating the love of Jesus Christ in action.

The charity's main objectives and activities are expressed in its vision and mission.

Vision

Life in all its fullness for everyone in Mildmay's care.

Mission

To transform and empower lives through the delivery of quality health services, treatment and care in the UK and Africa.

Values

An inclusive Christian charity committed to:

- 1) improving the health of our service users
- 2) listening and responding to need
- 3) development, innovation, partnership and learning
- 4) high standards and good stewardship of resources
- 5) celebrating achievement

Mildmay Mission Hospital

Report of the Trustees for the year ended 31 March 2023

STRATEGIC & BUSINESS PLANNING

The organisation has a new set of Strategic Objectives, this started in May 2022 to see us through the next three to five years. Each year the organisation updates a Business Plan the purpose of which is to deliver on a range of projects that help to achieve the longer Strategic Objectives.

STRATEGIC OBJECTIVES 2022 - 2025+

- We will actively seek out the health inequalities in our community for the patients that we serve and develop 'holistic' services to address them.
- We will build partnerships in order to benefit the patients that we serve.
- We will build a model for the delivery of healthcare that continually improves, is open, transparent, sustainable and challenging.

Reflection of the Business Plan 2022-23

During the year we identified the need for podiatry services for the inpatient. We sought potential partners to deliver this service and in December it began. A review of the service after three months showed that this service was a big success and contributed extremely positively to patient outcomes.

In the latter part of 2022 we developed a Web Based Mental Health Outreach Service that begins in hospital and follows our patients out into the community. This will enable our patients to continue to benefit from our services after they have been discharged.

Mildmay wanted to build on the relationships that we have in place with the various medical and clinical courses run by universities across London in order to make Mildmay one of the key locations for training the next generation of clinicians.

This project progressed much faster than anticipated to the point that Mildmay is now the preferred placements for a number of clinical training organisations. In fact, there are times during the year when it presents us with quite a challenge with where to put all of our new students.

The charity commissioned research into similar models of care in other cities throughout the United Kingdom. Whilst there was nothing quite like Mildmay anywhere else, there was one city that were particularly interested in our model of care. We have therefore opened up a dialogue with senior commissioners in order to explore this opportunity.

After considerable discussion amongst the Board and the Senior Management Team it was agreed that it was time for Mildmay International Kenya to fly solo without the oversight of the Mildmay International and Mildmay UK. This will be progressed over the next financial year. We will then look for possible new projects elsewhere.

In March we carried out a pilot project in Uganda that was an education exchange programme where we initially sent two of our doctors who are undertaking the General Practitioner Training Programme in the UK to a remote hospital in Northern Uganda. The doctors spent two weeks working alongside local doctors and clinical teams in Kumi Hospital and the surrounding community. This programme was a great success and we are now looking for funding beyond the pilot stage for the next financial year.

Mildmay Mission Hospital

Report of the Trustees for the year ended 31 March 2023

PUBLIC BENEFIT

The trustees receive and consider reports quarterly from all projects of the group. After review the trustees are satisfied that the objectives of the charity are being met and that its activities have a significant benefit in terms of health and quality of life of its clients both in the UK and Kenya. In addition, they are satisfied that the charity's training and educational programmes have a direct and positive affect on the quality of health care being delivered by healthcare professionals.

Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

FINANCIAL REVIEW

Mildmay Mission Hospital carries out its objectives through two organisations, Mildmay Mission Hospital Ltd and its subsidiary Mildmay International Ltd. The results of the subsidiaries are shown in note 6 to the accounts of page 25. Mildmay Mission Hospital incurred a deficit of (£286k) (2022: surplus of £68k) and Mildmay International Ltd results were a deficit of £0 (2022: nil).

Income and expenditure are allocated to two funds, the general fund and the restricted fund. Total income for the year was £4,027k (2022: £3,875k) an increase on the previous year of £152k.

The charity's objectives and activities are financed partly by grants and contractual income, any balance required is generally met by voluntary funding. The trustees keep under review the strategy and return on fundraising costs; this strategy is updated annually. The fundraising team raises funds from individuals, churches, companies and trusts.

The results of the funds have been shown separately on page 16 within the accounts and a reconciliation of the movement on accumulated funds is shown on page 15. Taking Mildmay Mission Hospital's funds in total (i.e. the charity and its subsidiaries together), there was a net deficit for the year of (£286k) (2022: surplus of £68k). There was an unrestricted deficit of (£248k). (2022: surplus of £141k)

In accordance with Charity Commission guidance on charity reserves, Mildmay Mission Hospital has developed a policy as to the appropriate level of 'free reserves'. 'free reserves' being the general fund balance excluding funds represented by tangible fixed assets. The intention is that between 25% and 50% of annual operating costs, excluding fixed asset expenditure, is held as 'free reserves'. This indicates that 'free reserves' should be within the range £1,078k to £2,156k.

'free reserves' at 31 March 2023 were £1,403k (2022: 1,608k). See note 14.

Mildmay Mission Hospital

Report of the Trustees for the year ended 31 March 2023

PLANS FOR THE FUTURE

The plans for 2023-24 are focussed primarily on sustainability and security. We will be looking to demonstrate that we can work within the budgets set, and within an environment that is considerably challenging financially. It is anticipated that we will continue to see cost pressures across all areas of expenditure and so the charity will need to keep a tight control of expenditure. That said, below are some of the Business Plan projects that we will attempt to deliver in order to achieve our longer term Strategic Objectives:

- We will continue to try and identify the need for new services needed by the patient community that we serve and then in partnership with other providers look to meet that need. One of the areas that we are looking is the possibility of a peripatetic step-down service, reaching beyond the doors of the hospital and out into the community.
- We will try to increase the number of Mildmay supporters, reaching out to old staff and people who have had a relationship with the hospital in the past as well as bringing in new supporters.
- Over the course of the next financial year we will look to develop more inpatient pathways with a focus on rehabilitation.
- Over the next two financial years we will look to increase our fundraising income to 10% of our turnover and to build our reserves to six months of expenditure.

Mildmay Mission Hospital
Report of the Trustees for the year ended 31 March 2023

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Community Base 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 those financial statements, the trustees are required to select suitable accounting policies and then apply them consistently; observe the methods and principles in the Charity 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 charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In so far as the trustees are aware:

There is no relevant audit information of which the charitable company's auditors are unaware; and the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

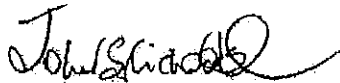
Mildmay Mission Hospital
Report of the Trustees for the year ended 31 March 2023

AUDITORS

Our auditors, Chariot House, have signified their willingness to continue in office and a resolution proposing their re-appointment will be put to the annual general meeting.

In approving the trustees report, we are approving the strategic report in our capacity as directors.

Signed on behalf of the trustees



John Richardson
Chair of Trustees

Date: 12th December 2023

Independent auditors' report to the Trustees of Mildmay Mission Hospital

Opinion

We have audited the financial statements of Mildmay Mission Hospital (the parent 'charitable company') and its subsidiary for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, the Charitable Company Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the group and charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including the group's 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 requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditors' report to the Trustees of Mildmay Mission Hospital

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or charitable company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report to the Trustees of Mildmay Mission Hospital

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We gained an understanding of the legal and regulatory framework applicable to the charitable company and the industry in which it operates, and considered the risk of acts by the charitable company that were contrary to applicable laws and regulations, including fraud. We identified that the following laws and regulations are central to the charitable company:

- Companies Act 2006
- Charities Act 2011
- Charities SORP 2019
- Health & safety regulations

We did not find any instances of non-compliance or breaches of the legislation framework applicable to the charitable company.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We identified that the following areas were of high risk:

- Completeness of income. We performed various audit tests to ensure that income was not materially understated in the financial statements.
- Management override of controls. We performed various audit tests to ensure there was no material management override of controls.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, UK tax legislation, Charities Act 2011 and Charities SORP 2019. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of legal counsel when considered necessary.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management bias by the directors that represented a risk of material misstatement due to fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reports Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**Independent auditors' report to the Trustees of
Mildmay Mission Hospital**

Use of our report

This report is made solely to the charitable 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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Shona Wardrop

Shona Wardrop C.A. (Senior Statutory Auditor)
for and on behalf of Chariot House Limited
Chartered Accountants and Statutory Auditor
44 Grand Parade
Brighton
East Sussex
BN2 9QA

Date: 19th December 2023

Mildmay Mission Hospital

MOVEMENT IN CONSOLIDATED ACCUMULATED FUNDS During the year ended 31 March 2023

	General Fund 2023 £'000	Restricted Funds 2023 £'000	Total Funds 2023 £'000	Total Funds 2022 £'000
Balance brought forward at 1 April 2022	5,749	106	5,855	5,787
Net (deficit) /surplus in year	(248)	(37)	(286)	68
Balance carried forward at 31 March 2023	<u>5,501</u>	<u>69</u>	<u>5,569</u>	<u>5,855</u>

This statement shows the total movement in accumulated funds during the year.

Mildmay Mission Hospital

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Incorporating Income and Expenditure Account) For the year ended 31 March 2023

	Unrestricted	Restricted	Total Fund	Total Funds
	2023	2023	2023	2022
	£'000	£'000	£'000	£'000
INCOMING RESOURCES				
Donations, gifts and legacies	233	17	250	270
Activities in furtherance of the charity's objects:				
Contractual and grant income for providing healthcare in the UK	3,761	-	3,761	3,160
Contractual and grant income for providing healthcare and training internationally	-	-	-	437
Investment and interest income	7	-	7	-
Other income	9	-	9	8
Total incoming resources (Note 2)	<u>4,010</u>	<u>17</u>	<u>4,027</u>	<u>3,875</u>
RESOURCES EXPENDED				
Cost of generating funds:				
Fundraising and publicity costs	97	-	97	96
Charitable expenditure:				
UK residential healthcare	4,162	54	4,216	3,274
Total expended resources (Note 3)	<u>4,259</u>	<u>54</u>	<u>4,313</u>	<u>3,807</u>
NET OPERATIONAL (OUTGOING)/INCOMING RESOURCES	(249)	(37)	(286)	68
Transfer between Funds	-	-	-	-
NET MOVEMENT IN FUNDS	(249)	(37)	(286)	68
Total funds brought forward at 1 April	5,749	106	5,855	5,787
Total funds carried forward at 31 March	<u>5,500</u>	<u>69</u>	<u>5,569</u>	<u>5,855</u>

All activities are continuing. The charity had no recognised gains or losses during the year other than those reflected in the above statement of financial activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

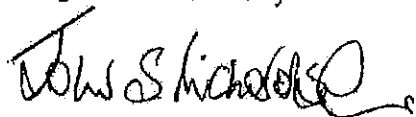
Mildmay Mission Hospital

CONSOLIDATED AND COMPANY BALANCE SHEET At 31 March 2023

	Notes	Group 2023	MMH 2023	Group 2022	MMH 2022
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	8	4,098	4,098	4,141	4,125
Investments	9	-	150	-	150
		<u>4,098</u>	<u>4,248</u>	<u>4,141</u>	<u>4,275</u>
CURRENT ASSETS					
Debtors	10	899	899	340	338
Cash	11	1,376	1,376	1,964	1,766
		<u>2,275</u>	<u>2,275</u>	<u>2,304</u>	<u>2,104</u>
CREDITORS: Amount falling due within one year	12	(803)	(953)	(590)	(524)
NET CURRENT ASSETS		<u>1,472</u>	<u>1,322</u>	<u>1,714</u>	<u>1,580</u>
Total assets less current liabilities		<u>5,570</u>	<u>5,570</u>	<u>5,855</u>	<u>5,855</u>
RESERVES					
Unrestricted funds:					
General fund	14	1,403	1,253	1,608	1,624
Designated funds:	14	4,098	4,248	4,141	4,125
Total unrestricted funds		<u>5,501</u>	<u>5,501</u>	<u>5,749</u>	<u>5,749</u>
Restricted funds	13	69	69	106	106
Total funds	14	<u>5,570</u>	<u>5,570</u>	<u>5,855</u>	<u>5,855</u>

Approved by the Board of Trustees on 12th December 2023

and signed on its behalf by



John Richardson
Chair of Trustees

Company Registration number: 1921087
Charity Registration number: 292058
A company limited by Guarantee

Mildmay Mission Hospital

CONSOLIDATED CASH FLOW STATEMENT For the year ended 31 March 2023

	Notes	2023 £'000	2022 £'000
Net cash inflow/(outflow) from operating activities	17(a)	(513)	677
Returns on investments and servicing of finance			
Interest received		7	-
Capital expenditure and financial investment			
Escrow account		-	-
Purchase of tangible fixed assets		(82)	(45)
		<u>(588)</u>	<u>632</u>
Increase (Decrease) in cash	17(b)	<u>(588)</u>	<u>632</u>

Mildmay Mission Hospital
Notes to the financial statements
For the year ended 31 March 2023 (continued)

1 ACCOUNTING POLICIES

(a) Accounting convention

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS102) '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 (FRS102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of Investments which are included at a historical fixed rate.

No separate statement of financial activities is presented for the charity. The net incoming resources dealt within the charity's statement of financial activities for the year ended 31 March 2023 was (£286) (2022: outgoing £68k), as shown in note 6 to the financial statements.

The Trustees have considered the basis of preparation of the financial statements and consider that in light of the forecast income it is appropriate to prepare the financial statements on the going concern basis due a reasonable assessment of forth-coming income over the next year when balanced against planned spending commitments.

(b) Basis of consolidation

The financial statements are prepared in sterling, which is the functional currency of the charity, and rounded to the nearest £1,000.

The charity meets the definition of a public benefit entity as defined by FRS102.

The financial statements include the accounts of Mildmay International Limited. To 31 March 2022, these included Mildmay Kenya Limited, which was deemed to be a subsidiary of Mildmay International Limited by virtue of sufficient funding being given to effect some control. This is no longer the case, so for the year end 31 March 2023, Mildmay Kenya Limited is not consolidated into Mildmay International Limited, and therefore not into these accounts.

The subsidiary is consolidated on a line by line basis.

(c) Fund accounting

Unrestricted funds

General funds

Revenue grants and other income and expenditure associated with the general operations of the charity are dealt with in the general fund. The amounts of expenditure shown for each activity within the general fund include directly attributable costs plus an allocation of indirect costs and overheads, apportioned on a basis consistent with use of the resources.

Designated funds

Funds which are set aside for specific purposes, either by contract or other decision of the trustees, and over which the trustees remain in control as to their use, are called designated funds.

Restricted funds

These comprise donations where the use has been specified by the donor.

Mildmay Mission Hospital
Notes to the financial statements
For the year ended 31 March 2023 (continued)

(d) Appropriations from funds in respect of capital expenditure

Transfers are affected from the restricted fund to the designated fund in respect of assets acquired with these funds. Depreciation of those assets is borne by the designated fund.

(e) Resources expended

Resources expended are accounted for on an accruals basis.

Costs of generating funds comprise costs directly attributable to raising voluntary income.

All charitable expenditure in furtherance of the charity's objectives relates to the provision of healthcare services under the contracts and related administrative costs.

Governance costs comprise the running costs of the charity, including any professional services required by the Trustees.

Costs are allocated on a direct method basis where possible. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of the resources.

(f) Incoming Resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

(g) Depreciation

Recognition and measurement

Fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Tangible fixed assets, other than freehold land, are depreciated on a straight line basis so as to take account of their estimated useful lives as follows:

Freehold buildings and leasehold improvements	50 years
Fixtures and fittings	10 years
Vehicles	5 years
Equipment	4 - 7 years

Assets are depreciated from the time at which they are brought into use.

Assets with a value of less than £1,000 are not capitalised. In addition, computer equipment with an expected life of less than three years is written off in the year of acquisition.

(h) Operating leases

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

Mildmay Mission Hospital
Notes to the financial statements
For the year ended 31 March 2023 (continued)

(i) Pension contributions and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

(j) Investments

Investments are a form of basic financial instrument and comprise investments in quoted equity instruments which are initially recognised at their transaction value and are subsequently measured at their fair value as at the balance sheet date. Changes in fair value are recognised in the Statement of Financial Activities. Quoted stocks and shares are included in the Balance Sheet at the current market price quoted on a recognised stock exchange as at the reporting date.

(k) Foreign currencies

Assets, liabilities, revenues and costs expressed in foreign currencies are translated into sterling at rates of exchange ruling on the last day of the month in which the transactions occur, except for monetary assets and liabilities, which are translated at the rate ruling at the balance sheet date. Where operations are taking place in a hyper-inflationary economy, transactions are translated into sterling at rates of exchange equating to the rates of exchange received on conversion of sterling into the foreign currency.

(l) Going Concern

As described in the Trustees' report, the charity has experienced a significant increase in costs resulting in a shortfall of income against expenditure. Most of the contracts are agreed over multiple years and only allow for small increases agreed by the NHS commissioners (the NHS Uplift). The increase in salary costs as well as energy, food and other services was greater than the uplift resulting in a deficit. In answer, the Trustees have taken measures to cut costs bringing expenditure in line with income. The Trustees therefore believe that, at present, it is appropriate to prepare the financial statements on a going concern basis.

(m) Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the charity is required to make judgments, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both the current and future periods.

There are no estimates and assumptions that are considered to have a significant risk of causing material adjustments to the financial statements in a future period.

Mildmay Mission Hospital
Notes to the financial statements
For the year ended 31 March 2023 (continued)

(n) Financial instruments

The charity has only financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and are subsequently measured at their settlement value with the exception of bank loans which are measured at amortised cost using the effective interest method.

Financial Assets

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

Financial Liabilities

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

Mildmay Mission Hospital
Notes to the financial statements
For the year ended 31 March 2023 (continued)

2 INCOMING RESOURCES	Mildmay International Ltd	Mildmay Mission Hospital	Total 2023	Total 2022	
	£'000	£'000	£'000	£'000	
Donations, grants and gifts	-	163	163	255	
Legacies	-	87	87	15	
NHS Contract Income	-	3,761	3,761	3,160	
International contract income	-	-	-	437	
Investment and interest income	-	7	7	-	
Other income	-	9	9	8	
	-	4,027	4,027	3,875	
Split by geographical region:					
UK	-	4,027	4,027	3,438	
Overseas	-	-	-	437	
	-	4,027	4,027	3,875	
Split by funds:					
Unrestricted	-	4,010	4,010	3,413	
Restricted	-	17	17	462	
	-	4,027	4,027	3,875	
3 RESOURCES EXPENDED					
	Staff Costs £'000	Direct Costs £'000	Allocated Costs £'000	Total 2023 £'000	Total 2022 £'000
Fundraising and publicity costs	54	5	38	97	96
UK residential healthcare	1,824	505	1,887	4,216	3,274
UK adult day-care services	-	-	-	-	-
International Alliance Support	-	-	-	-	-
The Mildmay Centre, Uganda	-	-	-	-	-
Training & Consultancy - Kenya	-	-	-	-	437
Support costs	952	973	(1,925)	-	-
	2,830	1,483	-	4,313	3,807

Mildmay Mission Hospital
Notes to the financial statements
For the year ended 31 March 2023 (continued)

3 RESOURCES EXPENDED (cont)

<u>Support Costs Comprise:</u>	Staff Costs £'000	Direct Costs £'000	Total 2023 £'000	Total 2022 £'000
Human Resources	72	43	115	90
Information Technology	-	115	115	87
Other Services	349	236	585	369
Building Services	416	454	870	716
Finance	116	15	131	103
Depreciation	-	109	109	99
	953	972	1,925	1,464

The above costs include:	2023 £'000	2022 £'000
Auditors' remuneration:		
Audit of charity	13	17
Audit of overseas projects	-	5
Depreciation	109	99
Loss on Disposal	-	-
Exchange rate loss/(profit)	-	4

4 STAFF COSTS

	2023 £'000	2022 £'000
Wages and salaries	2,407	1,482
Social security costs	233	143
Other pension costs	190	168
Agency fees and other staff related costs	-	767
	2,830	2,560

The number of staff whose emoluments for the year exceeded £60,000 was:

	2023 Number	2022 Number
£60,001 - £ 80,000	3	1
£90,001 - £100,000	2	1
	5	2

The pension contributions made by the employer on behalf of the employees above was £28,725 (2022: £28,048).

Mildmay Mission Hospital
Notes to the financial statements
For the year ended 31 March 2023 (continued)

4 STAFF COSTS (cont)

The average number of persons employed by the charity during the year was:

	2023 Number	2022 Number
Patient care - Mildmay Hospital UK	72	66
Administration and support - Mildmay Hospital UK	5	4
Patient care and training - International	-	10
Administration and support - International	-	4
Fundraising and publicity	1	1
Governance and administration	1	1
	<u>79</u>	<u>86</u>

Mildmay Mission Hospital is also supported by volunteers who provide support for the patient care, administration and fundraising activities of the charity.

The total costs of the senior management team for 2023: £405,002. (2022: £346,902)
This team is made up of CEO, Medical Director, Personnel Manager and Finance Manager
These costs include employers NI and employers Pension contributions.
NHS contributions outstanding at year end for 2023: £27,573 (2022: £21,950)
Pensions Trust contributions outstanding at year end for 2023: £933 (2022: £837)

5 DIRECTORS' (TRUSTEES') EMOLUMENTS

No emoluments were paid to directors (i.e. trustees) by the charity (2022: Nil), and there was no related party transaction as outlined in Note 20.

Expenses totalling £1,856 were paid to 2 trustees for travel and subsistence costs (2022: £1,339 to 2 trustees).

No emoluments or pensions contributions were made to directors of the company for services as directors of subsidiary undertakings.

6 RESULTS OF MILD MAY MISSION HOSPITAL

As permitted under the Companies Act 2006, the charity has not presented its own SOFA. The net outgoing resources dealt with in the financial statements of the charity are a deficit of (£249k) (2022: £68k surplus). The results of the charity and its one subsidiary are summarised below.

	Mildmay Mission Hospital £'000	Mildmay Internatio nal Ltd £'000	Total 2023 £'000	Total 2022 £'000
Total income	4,027		4,027	3,875
Total expenditure	(4,313)		(4,313)	(3,807)
	<u>(286)</u>	<u>-</u>	<u>(286)</u>	<u>68</u>
Mildmay Mission Hospital Funding			-	-
	<u>(286)</u>	<u>-</u>	<u>(286)</u>	<u>68</u>

Mildmay Mission Hospital
Notes to the financial statements
For the year ended 31 March 2023 (continued)

7 PENSIONS

The company is an approved organisation, for the purposes of the National Health Service (Superannuation) Regulations 1980, making contributions to the National Health Service Pension Scheme. The Scheme is regarded as a statutory scheme by HM Revenue & Customs and is covered by section 22 of chapter 23 of the 1970 Finance Act. The contributions of the employer and employee are 14.38% and 5.6 - 13.5% respectively. As a statutory scheme, benefits are fully guaranteed by the Government. Contributions from both members and employers are paid to NHS Pensions, which meets the cost of the scheme benefits. NHS contributions outstanding at year end for 2023: £27,573 (2022: £21,950)

The company also operates a defined contribution scheme for those UK employees who are not eligible to join the NHS scheme. Employer contributions match the employees' contribution, up to a maximum of 7% of pensionable salary. Pension Trust contributions outstanding at year end for 2023: £933 (2022: £837)

8 TANGIBLE FIXED ASSETS

Group	Vehicle £'000	Building £'000	Fixtures and Fittings £'000	Equipment £'000	Total £'000
COST					
At 1 April 2022	58	4,743	38	182	5,021
Additions	-	-	62	20	82
Disposals	(58)	-	(9)	(73)	(140)
At 31 March 2023	-	4,743	91	129	4,963
DEPRECIATION					
At 1 April 2022	(57)	(682)	(16)	(125)	(880)
Charge for the year	-	(88)	(2)	(22)	(109)
Disposals	57	-	6	61	124
At 31 March 2023	-	(767)	(12)	(86)	(865)
NET BOOK VALUE					
At 31 March 2023	-	3,976	79	43	4,098
At 31 March 2022	1	4,061	22	57	4,141
Split of assets held by country					
Kenya	-	-	-	-	-
UK	-	3,976	79	43	4,098
Net book value	-	3,976	79	43	4,098

Mildmay Mission Hospital
Notes to the financial statements
For the year ended 31 March 2023 (continued)

9 INVESTMENTS

	Group 2023 £'000	MMH 2023 £'000	Group 2022 £'000	MMH 2022 £'000
Balance at 31 March 2023	-	150	-	150

The investment of Mildmay Mission Hospital is 100% investment in its subsidiary, Mildmay International Limited, of 150,100 £1 ordinary shares acquired at par at a cost of £150,100.

10 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2023 £'000	MMH 2023 £'000	Group 2022 £'000	MMH 2022 £'000
Debtors	831	831	334	332
Prepayments and accrued income	68	68	6	6
	<u>899</u>	<u>899</u>	<u>340</u>	<u>338</u>

11 CASH

	Group 2023 £'000	MMH 2023 £'000	Group 2022 £'000	MMH 2022 £'000
Cash at bank and in hand	1,376	1,376	1,964	1,766
	<u>1,376</u>	<u>1,376</u>	<u>1,964</u>	<u>1,766</u>
Unrestricted cash and deposit balances	1,307	1,307	1,858	1,660
Restricted cash and deposit balances	69	69	106	106
	<u>1,376</u>	<u>1,376</u>	<u>1,964</u>	<u>1,766</u>

Mildmay Mission Hospital
Notes to the financial statements
For the year ended 31 March 2023 (continued)

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2023	MMH 2023	Group 2022	MMH 2022
	£'000	£'000	£'000	£'000
Sundry creditors	147	147	77	71
Tax and social security creditors	93	93	72	69
Amounts owed to Mildmay International Limited		150	-	108
Accruals and deferred income	563	563	441	276
	<u>803</u>	<u>953</u>	<u>590</u>	<u>524</u>

13 RESTRICTED FUNDS

	Balance 1 April 2022	Incoming Resources	Expenditure	Transfer between Funds	Balance 31 March 2023
	£'000	£'000	£'000	£'000	£'000
Contractual, grant & training income	<u>106</u>	<u>17</u>	<u>(54)</u>	<u>-</u>	<u>69</u>

13 RESTRICTED FUNDS

	Balance 1 April 2021	Incoming Resources	Expenditure	Transfer between Funds	Balance 31 March 2022
	£'000	£'000	£'000	£'000	£'000
Contractual, grant & training income	<u>179</u>	<u>462</u>	<u>(535)</u>	<u>-</u>	<u>106</u>

At 31 March 2022 the restricted funds include tangible fixed assets in Kenya.

At 31 March 2023 the restricted funds include net current assets held in the UK.

Mildmay Mission Hospital
Notes to the financial statements
For the year ended 31 March 2023 (continued)

14 ANALYSIS OF TOTAL FUNDS

	General Fund £'000	Designated Funds £'000	Restricted Funds £'000	Total Funds £'000
Fixed assets				
Tangible assets	-	4,098	-	4,098
Investment		150		150
Escrow account	-	-	-	-
Cash	1,307	-	69	1,376
Other current assets	899	-	-	899
Current liabilities	(953)	-	-	(953)
Total funds	<u>1,253</u>	<u>4,248</u>	<u>69</u>	<u>5,570</u>

The designated funds represent fixed assets set aside for the build of the new UK hospital.
This note is only the Charity funds note

15 FINANCIAL COMMITMENTS

At 31 March 2023 there were no capital expenditure commitments.

	Plant and machinery	
	2023	2022
	£'000	£'000
Operating leases which expire:		
Within 1 to 2 years	0	0
	<u>0</u>	<u>0</u>

16 INCORPORATION

Mildmay Mission Hospital is company limited by guarantee and does not have a share capital.

Each of the members of the company guarantees to pay a sum not exceeding £1 in the event of a winding up of the company. At 31 March 2023 there were 34 members of the company (2022: 40).

Mildmay Mission Hospital
Notes to the financial statements
For the year ended 31 March 2023 (continued)

17 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Reconciliation of operating (deficit) to net cash inflow from operating activities of the group	2023 £'000	2022 £'000
Net incoming resources	(286)	68
Less interest received	(7)	-
Depreciation	109	109
Loss on disposal of tangible fixed assets	17	-
Decrease/(Increase) in debtors	(559)	401
(Decrease)/Increase in creditors	213	99
	<u>(513)</u>	<u>677</u>
 (b) Analysis of change in cash and cash equivalents during the year		
Balance at 1 April 2022	1,964	1,332
Net cash inflow as per the consolidated cash flow statement	(588)	632
	<u>1,376</u>	<u>1,964</u>

18 SUBSIDIARIES

Mildmay Mission Hospital has one wholly owned subsidiary Mildmay International Ltd.

Mildmay International Ltd has a share capital of 150,100 ordinary shares of £1 each and manages all the international business of Mildmay Mission Hospital.

Mildmay International Limited has not been audited under the exemption of s479a of the Companies Act 2006.

19 SEGMENTAL DISCLOSURE

The income of Mildmay International Ltd is almost entirely derived from services provided in East Africa.

All other income of the Group is derived from services provided in the UK.

The assets disclosed in the financial statements of Mildmay International Ltd are:

	2023 £'000	2022 £'000
Net assets	150	150
	<u>150</u>	<u>150</u>

In addition to the net assets disclosed above Mildmay Mission Hospital holds assets with a net book value of £nil (2022: £nil) that are utilised by Mildmay International Ltd.

Mildmay Mission Hospital
Notes to the financial statements
For the year ended 31 March 2023 (continued)

20 RELATED PARTY TRANSACTIONS

There were no related party transactions during the year (2022: £0).

21 TAXATION

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation Tax purposes. Accordingly the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Mildmay Mission Hospital
Notes to the financial statements
For the year ended 31 March 2023 (continued)

22. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 March 2022

	Unrestricted	Restricted	Total Funds	Total Funds
	2022	2022	2022	2021
	£'000	£'000	£'000	£'000
INCOMING RESOURCES				
Donations, gifts and legacies	245	25	270	325
Activities in furtherance of the charity's objects:				
Contractual and grant income for providing healthcare in the UK	3,160	-	3,160	3,629
Contractual and grant income for providing healthcare and training internationally	-	437	437	565
Investment and interest income	-	-	-	-
Other income	8	-	8	6
Total incoming resources (Note 2)	3,413	462	3,875	4,525
RESOURCES EXPENDED				
Cost of generating funds:				
Fundraising and publicity costs	58	38	96	139
Charitable expenditure:				
UK residential healthcare	3,214	60	3,274	3,283
UK adult and children day-care services	-	-	-	-
Grant to Uganda – healthcare & training	-	-	-	-
International training and consultancy	-	437	437	565
Total expended resources (Note 3)	3,272	535	3,807	3,987
NET OPERATIONAL (OUTGOING)/INCOMING RESOURCES	141	(73)	68	538
Transfer between Funds	-	-	-	-
NET MOVEMENT IN FUNDS	141	(73)	68	538
Total funds brought forward at 1 April	5,608	179	5,787	5,249
Total funds carried forward at 31 March	5,749	106	5,855	5,787