

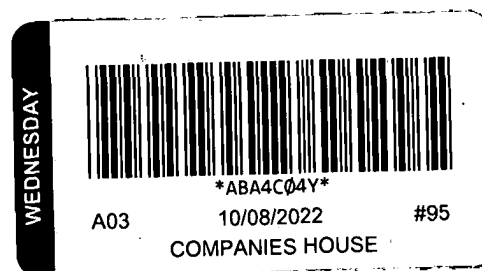
Charity registration number 1114559

Company registration number 05818995 (England and Wales)

MIDLAND DOCTORS ASSOCIATION UK

**ANNUAL REPORT AND UNAUDITED
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2021



MIDLAND DOCTORS ASSOCIATION UK

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Dr S Y Iftikhar (Chair)
Dr J Ahmed
Dr A Rashid
Dr K Latief
Mr S Hussain
Dr Z Sheikh
Mr AA Najib
Dr I Ali
Mr R U Amin
Ms T Kent-Chapman
Mr M Altaf
Dr F Rashid

(Appointed 6 May 2021)

Secretary

Dr A Rashid

Charity number

1114559

Company number

05818995

Principal address

11 Snelston Crescent
Littleover
Derby
DE23 6BL

Registered office

11 Snelston Crescent
Littleover
Derby
DE23 6BL

Independent examiner

Philip Handley FCA
HSKS Greenhalgh
Chartered Accountants
18 St Christopher's Way
Pride Park
Derby
DE24 8JY

Bankers

HSBC UK Bank Plc
1 St. Peter's Street
Derby
DE1 2AE

MIDLAND DOCTORS ASSOCIATION UK

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MIDLAND DOCTORS ASSOCIATION UK

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees present their annual report and financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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).

Objectives and activities

Policies and objectives

The charity's short-term goals are:

- To facilitate the activities of the Midland Doctors Medical Institute in Muzaffarabad, Pakistan.
- To facilitate to continue supporting Nur Goth, a village consisting of 100 houses which is located in Sindh Province, Pakistan.
- To support a number of post-graduate students at the Light House School in Rawalpindi, Pakistan.

The charity's long-term goals are:

- To consider the regional impact of humanitarian healthcare work in Pakistan and in particular the Kashmir region.
- To consider working in partnership with other agencies to deliver humanitarian care, such as in Malawi.

The short-term goals are related to humanitarian medical relief work, which is also the vision and mission of Midland Doctors Association.

The longer-term goal is a continuation of this theme and therefore, there's a relationship between the charity's short-term and long-term goals.

Activities for achieving objectives

The concept behind Midland Doctors Association UK originated when a team of senior National Health Service doctors flew to Pakistan to provide medical assistance in the wake of the powerful earthquake which struck northern Pakistan on 8 October 2005, killing over 87,000 and displacing over 3.5 million people.

Having witnessed at first hand the suffering of the local people and the destruction of their medical facilities, the doctors were inspired to establish this charity whose principal aims were to purchase, equip and operate a hospital facility in the Kashmir region of Pakistan, and to raise public awareness of health issues affecting people in developing countries.

The charity has successfully achieved its initial objectives and aims, and it currently is heavily involved in the day to day running and administration of projects already completed in Pakistan.

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our objectives and also in planning our future objectives. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

Volunteers

The trustees wish to express their heartfelt gratitude to all the individuals and organisations who have donated their time, money and services to the charity. Without the active support of these volunteers it would be impossible to realise the achievement of the vision shared by the trustees.

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

MIDLAND DOCTORS ASSOCIATION UK

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance

Charitable activities

As previously reported, the charity completed the construction of a hospital, now known as Midland Doctors Medical Institute, in Tendali District, Muzaffarabad, Kashmir, Pakistan in March 2013. The total cost of the hospital as at 31 December 2021 amounted to £2,015,619 (2020: £1,992,544), which included £23,073 (2020: £18,166) incurred in the year under review as part of the ongoing improvement and development of hospital facilities. The Nur Goth Village project, which was completed in 2013, is constantly monitored to ensure that full benefit continues to accrue to the poorest families who occupy the 100 houses constructed under the project. Ongoing maintenance costs are minimal.

During the year the charitable company has received donated goods and services in furtherance of its operational activities and objectives. However, the economic benefit of such donated goods and services has not been recognised in these financial statements as it cannot be measured reliably.

Fundraising activities

Midland Doctors Association UK has a large network cluster, working with fundraisers, with whom trustees have worked tirelessly, both nationally and internationally. Through these networked contacts, funds were donated during the year to 31 December 2021. In addition, fundraising and sponsorship events were also organised during the year, whereby monies were raised from individuals and local companies, with the costs of generating voluntary income being covered largely by sponsorship. However, as a result of COVID-19 and the reduction in number of events, such costs have decreased considerably in the current year but are expected to increase in future years as the country unlocks and normality returns. It remains the Trustees' intention to cover costs through further sponsorship and gift aid refunds. The remainder of the donations came directly from other benefactors and institutions.

Key performance indicators

The strategy of Midland Doctors Medical Institute has been to adhere to the key guidelines as allocated by the General Medical Council UK (GMCUK) in particular, the role of a doctor. The facilities are also incorporating international guidelines such as the World Health Organization's guidelines for theatre and surgical departments. The evaluation of Key Performance Indicators would be beyond the scope of this financial document.

Significant positive and negative factors affecting achievement of objectives

Firstly, the Midland Doctors Medical Institute utilises the majority of the charity's resources, as its main objective as an organisation is to support MDMI. The other two short term objectives do not take up significant resources. In terms of positive effects, the charity's capabilities have expanded over the past twelve months; we are providing more services and we are providing care that is not available in many parts of the Kashmir region of Pakistan. In fact, our Nutrition Programme that aims at taking care of children with severe nutritional deficiency, does not even exist in that part of the Kashmir region of Pakistan. As the project develops, the negative pressures are coming to the fore. As we are becoming more popular in the region, our services are more well known and people are linking us to better quality of medical care. This then drives demand but then the shortcoming is that we don't have endless supply of resources. In view of the issue of financial constraints, and in particular as fundraising is a key aspect of the source of funds, we have to always consider the implications of our services on our financial resources.

Another negative factor is that we need to consider fundraising as ongoing activity, therefore as an organisation we have considered ways and means of diversification so that the risks of not being able to achieve our funds through fundraising are diversified.

The Dubai head quarters that were opened during the latter stages of 2018 have continued to enhance the capability to achieve fund raising.

Financial review

Financial position

For the year 1st January 2021 to 31 December 2021, the in-year deficit figure is £26,208 (2020: Surplus of £190,895), decreasing the surplus position to £2,947,427 (2020: £2,973,635).

MIDLAND DOCTORS ASSOCIATION UK

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Going concern

During the year under review, the COVID-19 pandemic continued to be a significant risk to the global economy with Pakistan as a country enduring several waves of COVID-19 throughout 2021.

The trustees continue to monitor the impact on the charitable company on an ongoing basis and note the success of the vaccination programme within Pakistan and the wider world. At the time of approving these financial statements, the trustees do not consider COVID-19 to impact the charitable company's ability to continue as a going concern and consider the balance sheet to be appropriately valued.

Reserves policy

Reserves are needed to meet the day to day running costs of the hospital and to cover any unplanned other expenditure. The trustees consider that the ideal level of reserves as at 31 December 2021 would be £500,000, equating to approximately one year of charitable expenditure (excluding capital expenditure).

The free reserves at the year end amounted to £440,933. In calculating the free reserves, the trustees have excluded from the total funds the fixed assets of £2,506,494. The trustees are satisfied with the level of free reserves at the reporting date.

Principal funding sources

The principal fundraising is made from the international network resources that have been built since formation of the charity. The Midland Doctors Association UK work is continually being promoted worldwide and the Trustees are constantly working with the network to ensure the fundraising continues successfully. The Trustees consider the results for the year to be satisfactory and the charity continues to remain in an extremely strong financial position.

Plans for future periods

The charity will continue to raise further funds to meet the ongoing operational costs of the hospital, and further capital expenditure will be made to enlarge the hospital facility with the passage of time and needs of the local population.

The charity is earmarked by the local government in Pakistan to manage the project of identifying malnutrition children. Currently the charity is covering 5 villages around the hospital in Muzaffarabad, Kashmir, Pakistan and would expand on this project going forward to cover wider area,

Structure, governance and management

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The company, incorporated under the Companies Act 1985 and 1989, is limited by guarantee and does not have a share capital. Its registered number is 5818995, and the company is also registered as a charity under the Charities Act 1993, number 1114559.

MIDLAND DOCTORS ASSOCIATION UK

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Dr S Y Iftikhar (Chair)

Dr J Ahmed

Dr A Rashid

Dr K Latief

Mr S Hussain

Dr Z Sheikh

Mr AA Najib

Dr I Ali

Mr R U Amin

Ms T Kent-Chapman

Mr M Altaf

Dr F Rashid

(Appointed 6 May 2021)

Recruitment and appointment of new trustees

The Board of Trustees consists of twelve members as at 31 December 2021.

The company's Articles of Association allow for Trustees to serve for a three year term. Trustees must retire at the annual general meeting following their completion of three years' service, but may stand for re-election.

The Board has the power at any time, and from time to time, to appoint any person to be a Trustee, either to fill a casual vacancy or as an addition to the existing Trustees. Any Trustee appointed holds office only until the next following annual general meeting, and then becomes eligible for re-election.

Trustees are elected to the board in accordance with a voting system outlined in the charity's constitutional document. The responsibilities of trustees are allocated according to their skills, abilities and areas of interest.

Induction of new Trustees is given on an individual basis where appropriate.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Organisational structure

The Board of Trustees are responsible for administering the charity.

The finances of the charity are kept under review at Trustees meetings.

Related parties

All donated medical equipment is stored at the premises of M Najib & Sons Limited, a company in which a trustee, Mr AA Najib, is a director. The transaction occurs at arms length, as members of staff at M Najib & Sons Limited donate their charitable time to load the equipment, in order to transport it over to Pakistan.

Risk management

The Trustees are aware of and continue to monitor any significant risks facing the charity and have put policies and controls in place to minimise or mitigate those risks. The Trustees are aware that the risks faced by the charity will evolve with the charity's activities and the trustees will ensure that their risk strategy reflects these changes.

The Trustees acknowledge their responsibilities in relation to the charity's financial statements and accounting records.

MIDLAND DOCTORS ASSOCIATION UK

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021


Funds held as custodian trustee

The charity holds no funds on behalf of others.

Freehold property

The land purchased in Tendali, District Muzaffarabad, Pakistan is held in the name of Dr J Ahmed, a trustee of the charity, as it was not possible for the land to be purchased in the name of the charity directly.

The trustees' report, including the strategic report, was approved by the Board of Trustees.

 28/6/22

Dr S Y Iftikhar (Chair)

Trustee

28 June 2022

MIDLAND DOCTORS ASSOCIATION UK

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF MIDLAND DOCTORS ASSOCIATION UK

I report to the trustees on my examination of the financial statements of Midland Doctors Association UK (the charity) for the year ended 31 December 2021.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

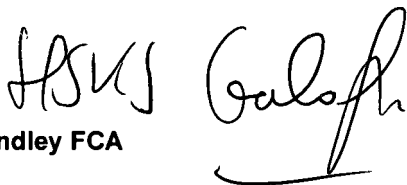
Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Philip Handley FCA

HSKS Greenhalgh
Chartered Accountants
18 St Christopher's Way
Pride Park
Derby
DE24 8JY

Dated: 28 June 2022

MIDLAND DOCTORS ASSOCIATION UK

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

		Unrestricted funds 2021 £	Unrestricted funds 2020 £
	Notes		
<u>Income from:</u>			
Donations and legacies	3	529,826	684,337
Charitable activities	4	912	2,425
Investments	5	4	44
Total income		530,742	686,806
<u>Expenditure on:</u>			
Raising funds	6	15,598	54,861
<u>Charitable activities</u>			
Hospital expenditure	7	385,259	360,685
Village expenditure	7	12,271	13,308
Dubai office costs	7	16,217	13,331
Education expenditure	7	11,809	839
Other charitable expenditure	7	61,310	36,075
COVID expenditure	7	54,486	16,812
Total charitable expenditure		541,352	441,050
Total expenditure		556,950	495,911
Net (expenditure)/income for the year/ Net movement in funds		(26,208)	190,895
Fund balances at 1 January 2021		2,973,635	2,782,740
Fund balances at 31 December 2021		2,947,427	2,973,635

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

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

MIDLAND DOCTORS ASSOCIATION UK

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	12	2,506,494		2,471,483	
Current assets					
Debtors	13	13,971		19,361	
Cash at bank and in hand		494,155		505,000	
		<u>508,126</u>		<u>524,361</u>	
Creditors: amounts falling due within one year	14	<u>(67,193)</u>		<u>(22,209)</u>	
Net current assets		440,933		502,152	
Total assets less current liabilities		<u>2,947,427</u>		<u>2,973,635</u>	
Income funds					
Unrestricted funds		2,947,427		2,973,635	
		<u>2,947,427</u>		<u>2,973,635</u>	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2021.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 28 June 2022


Dr S Y Ifikhar (Chair)
Trustee

Company registration number 05818995

MIDLAND DOCTORS ASSOCIATION UK

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	19		98,111		307,783
Investing activities					
Purchase of tangible fixed assets		(108,960)		(126,617)	
Proceeds on disposal of tangible fixed assets		-		1,385	
Investment income received		4		44	
Net cash used in investing activities			(108,956)		(125,188)
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(10,845)		182,595
Cash and cash equivalents at beginning of year			505,000		322,405
Cash and cash equivalents at end of year			494,155		505,000

MIDLAND DOCTORS ASSOCIATION UK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

Midland Doctors Association UK is a private company limited by guarantee incorporated in England and Wales. The registered office is 11 Snelston Crescent, Littleover, Derby, DE23 6BL.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The main functional currencies of the charity are the Pound Sterling (£) in the United Kingdom, and the Pakistani Rupee (Rs) for expenditure incurred in Pakistan, along with United Arab Emirates Dirham (AED) for expenses incurred within Dubai.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

MIDLAND DOCTORS ASSOCIATION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Donated goods and services are recognised as income when the charity has control over the item, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably.

Income from trading activities is recognised at the fair value of the consideration receivable for services provided, and is recognised when the service is delivered.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity, this is normally upon notification of the interest paid or payable by the bank.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% on cost
Plant and equipment	10% on reducing balance
Fixtures and fittings	10% on reducing balance
Computers	25% on reducing balance
Motor vehicles	10% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

MIDLAND DOCTORS ASSOCIATION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.9 Taxation

The charity is exempt from corporation tax on its charitable activities.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

MIDLAND DOCTORS ASSOCIATION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount 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 that are 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Donations and gifts	529,826	684,337
Donations and gifts		
Donations	502,528	667,309
Gift aid refunds	27,298	17,028
	529,826	684,337

4 Charitable activities

	Hospital 2021	Hospital 2020
	£	£
Patient fees	912	2,425

5 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Interest receivable	4	44

MIDLAND DOCTORS ASSOCIATION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Raising funds

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
<u>Fundraising and publicity</u>		
Advertising and fundraising events	10,642	29,807
Donations administration fees	4,956	7,777
Support costs	-	(215)
	<u>15,598</u>	<u>37,369</u>
<u>Fundraising and publicity</u>		
Trading costs		
Support costs	-	17,492
	<u>15,598</u>	<u>54,861</u>

MIDLAND DOCTORS ASSOCIATION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

7 Charitable activities

	Hospital expenditure	Village expenditure	Dubai office costs	Education expenditure	Other charitable expenditure	COVID expenditure	Total 2021	Total 2020
	2021 £	2021 £	2021 £	2021 £	2021 £	2021 £	£	£
Staff costs	155,781	-	10,373	-	-	-	166,154	170,425
Depreciation and impairment	94,944	9,005	-	-	-	-	103,949	97,748
Light and heat	19,401	-	-	-	-	-	19,401	20,720
Telephone	1,649	-	-	-	-	-	1,649	1,412
Courier costs	2,514	-	73	-	-	-	2,587	1,684
Cleaning	-	-	-	-	-	-	-	870
Sundry expenses	1,991	-	-	-	-	-	1,991	3,337
Purchase of medicines	83,006	-	-	-	-	-	83,006	41,000
Repairs and renewals	11,219	-	-	-	-	-	11,219	8,862
Motor & travel	10,278	-	-	-	-	-	10,278	9,532
Rent	1,536	-	-	-	-	-	1,536	2,426
Advertising	-	-	-	-	-	-	-	63
Container shipping	743	-	-	-	-	-	743	20,600
Computer costs	1,266	-	266	-	-	-	1,532	807
Nur Goth village expenses	-	3,266	-	-	-	-	3,266	4,302
Education expenses	-	-	-	-	-	-	-	839
COVID & charity expenditure	-	-	-	-	14,363	54,486	68,849	33,212
	384,328	12,271	10,712	-	14,363	54,486	476,160	417,839
Grant funding of activities (see note 8)	-	-	-	11,809	-	-	11,809	-
Share of support costs (see note 9)	805	-	5,505	-	21,348	-	27,658	12,704
Share of governance costs (see note 9)	126	-	-	-	25,599	-	25,725	10,507

MIDLAND DOCTORS ASSOCIATION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7 Charitable activities

(Continued)

<u>385,259</u>	<u>12,271</u>	<u>16,217</u>	<u>11,809</u>	<u>61,310</u>	<u>54,486</u>	<u>541,352</u>	<u>441,050</u>
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MIDLAND DOCTORS ASSOCIATION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

7 Charitable activities

(Continued)

For the year ended 31 December 2020

	Hospital expenditure	Village expenditure	Dubai office costs	Education expenditure	Other charitable expenditure	COVID expenditure	Total 2020
	£	£	£	£	£	£	£
Staff costs	161,174	-	9,251	-	-	-	170,425
Depreciation and impairment	88,742	9,006	-	-	-	-	97,748
Light and heat	20,720	-	-	-	-	-	20,720
Telephone	1,412	-	-	-	-	-	1,412
Courier costs	1,664	-	20	-	-	-	1,684
Cleaning	870	-	-	-	-	-	870
Sundry expenses	3,222	-	115	-	-	-	3,337
Purchase of medicines	41,115	-	(115)	-	-	-	41,000
Repairs and renewals	8,862	-	-	-	-	-	8,862
Motor & travel	9,493	-	39	-	-	-	9,532
Rent	2,426	-	-	-	-	-	2,426
Advertising	63	-	-	-	-	-	63
Container shipping	20,600	-	-	-	-	-	20,600
Computer costs	278	-	529	-	-	-	807
Nur Goth village expenses	-	4,302	-	-	-	-	4,302
Education expenses	-	-	-	839	-	-	839
COVID & charity expenditure	-	-	-	-	16,400	16,812	33,212
	360,641	13,308	9,839	839	16,400	16,812	417,839
Share of support costs (see note 9)	-	-	3,492	-	9,212	-	12,704
Share of governance costs (see note 9)	44	-	-	-	10,463	-	10,507

MIDLAND DOCTORS ASSOCIATION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

7	Charitable activities	(Continued)						
		360,685	13,308	13,331	839	36,075	16,812	441,050
	Analysis by fund							
	Unrestricted funds	360,685	13,308	13,331	839	36,075	16,812	441,050

MIDLAND DOCTORS ASSOCIATION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8 Grants payable

	Education expenditure 2021 £	2020 £
Grants to institutions (1 grants):		
Horizon International for Education of Students	10,000	-
Grants to individuals	1,809	-
	<u>11,809</u>	<u>-</u>

9 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Exchange Losses	17,188	-	17,188	23,392	-	23,392
Rent	2,276	-	2,276	2,410	-	2,410
Insurance	27	-	27	327	-	327
Sundries	-	-	-	360	-	360
Legal and professional fees	4,801	-	4,801	1,270	-	1,270
Bank charges	3,366	-	3,366	2,664	-	2,664
Loss on sale of tangible fixed assets	-	-	-	(215)	-	(215)
Accountancy	-	3,300	3,300	-	1,930	1,930
Legal and professional Independent examiner's fees	-	20,312	20,312	-	6,487	6,487
	-	2,100	2,100	-	1,850	1,850
Sundries	-	13	13	-	13	13
	<u>27,658</u>	<u>25,725</u>	<u>53,383</u>	<u>30,208</u>	<u>10,280</u>	<u>40,488</u>
Analysed between						
Fundraising	-	-	-	(215)	-	(215)
Trading	-	-	-	17,719	(227)	17,492
Charitable activities	27,658	25,725	53,383	12,704	10,507	23,211
	<u>27,658</u>	<u>25,725</u>	<u>53,383</u>	<u>30,208</u>	<u>10,280</u>	<u>40,488</u>

MIDLAND DOCTORS ASSOCIATION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2021 nor for the year ended 31 December 2020.

The trustees have continued to incur expenses, especially travel costs, in the performance of their duties. Such expenditure is borne by the trustees personally, has not been quantified, and as no reimbursement has been sought by them, is considered to have been waived.

11 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Medical staff	42	44
Maintenance staff	14	6
Security	2	3
Administrative staff	8	9
Other staff	2	9
Total	68	71

Employment costs

	2021 £	2020 £
Wages and salaries	166,154	170,425

There were no employees whose annual remuneration was more than £60,000.

MIDLAND DOCTORS ASSOCIATION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

12 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost						
At 1 January 2021	2,442,805	421,770	118,809	37,747	16,587	3,037,718
Additions	23,074	62,707	52,010	1,169	-	138,960
At 31 December 2021	2,465,879	484,477	170,819	38,916	16,587	3,176,678
Depreciation and impairment						
At 1 January 2021	381,730	119,270	36,302	23,520	5,413	566,235
Depreciation charged in the year	49,320	36,210	13,451	3,851	1,117	103,949
At 31 December 2021	431,050	155,480	49,753	27,371	6,530	670,184
Carrying amount						
At 31 December 2021	2,034,829	328,997	121,066	11,545	10,057	2,506,494
At 31 December 2020	2,061,075	302,500	82,507	14,227	11,174	2,471,483

MIDLAND DOCTORS ASSOCIATION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Tangible fixed assets

(Continued)

During 2006 land was purchased in Tendali, District Muzaffarabad, Pakistan by the charity in order to construct a hospital. Whilst the charity paid for this land, it is held in the name of one of the trustees (Dr Javed Ahmed) on behalf of the charity, as it was not possible for the land to be purchased in the name of the charity directly. A statutory declaration was made on 7 September 2007 confirming that the land is held on trust for the charity until such time as it is possible for it to be transferred upon attainment of the appropriate international status of the charity. The cost and net book value of the hospital project, included within freehold property, amounts to £2,015,619 (2020: £1,992,544) and £1,665,620 (2020: £1,682,856) respectively.

The Nur Goth Village project in Sindh Province, Pakistan, is a joint collaboration with Pakistan Medical Association. Although the entire project was funded by the Midland Doctors Association UK, for administrative and logistical purposes, the 8 acre site and the 100 dwellings constructed thereon, together with the infrastructure, are jointly owned between the Midland Doctors Association UK and the Pakistan Medical Association, as per an agreement dated 25th January 2012. However, all running costs of the village after completion are paid for and administered by the Pakistan Medical Association, with Midland Doctors Association UK making contributions for such expenditure. The cost and net book value of the Nur Goth Village is £450,261 (2020: £450,261) and £369,214 (2020: £378,219) respectively.

All the dwellings in Nur Goth Village are occupied in perpetuity, rent free, by the 100 designated families and their descendants. There is no right to either dispose of the dwelling or pass it to another unconnected family.

13 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Other debtors	10,775	14,957
Prepayments and accrued income	3,196	4,404
	<u>13,971</u>	<u>19,361</u>

14 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	30,000	-
Other creditors	1,153	1,153
Accruals and deferred income	36,040	21,056
	<u>67,193</u>	<u>22,209</u>

MIDLAND DOCTORS ASSOCIATION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

15 Financial commitments, guarantees and contingent liabilities

Contingent liabilities

During the year the trustees have been asked by Azad Jammu and Kashmir (AJK) government representatives in Pakistan to provide information relating to purchases made by the charitable company in the region since 2007, in order to establish if any taxation liability exists and to quantify it, if applicable.

The trustees are of the opinion that no liability exists in this regard in respect of purchases made since 1 January 2019, but that a liability could potentially exist in respect of purchases made before that date. The trustees are unable to quantify any potential taxation liabilities or any related penalties & interest becoming due, and would seek to minimise any potential resulting financial outflow by negotiation if necessary.

Accordingly no provision for taxation and related liabilities as described above has been made in these financial statements. Furthermore, it is not possible to state the timing of any potential outflow in view of the circumstances.

16 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	170	170

The property lease in place at the balance sheet date may be terminated by giving not less than 30 days notice. Advance payments made shall be refunded in proportion to the unused tenancy period.

17 Capital commitments

	2021 £	2020 £
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At 31 December 2021 the charity had capital commitments as follows:

Contracted for but not provided in the financial statements:

Acquisition of property, plant and equipment	-	42,451
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MIDLAND DOCTORS ASSOCIATION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

18 Related party transactions

Donations made by trustees and related parties

The following donations were received without conditions from trustees or other related parties:

Dr J Ahmed, a trustee of the charity, donated £21,091 (2020: £Nil).

Mr M Altaf, a trustee of the charity, donated £4,230 (2020: £100).

Mr S Hussain, a trustee of the charity, donated £1,150 (2020: £Nil).

Dr S Y Iftikhar, a trustee of the charity, donated £28,120 (2020: £1,200).

Ms T Kent-Chapman, a trustee of the charity, donated £10 (2020: £Nil)

Dr K Latief, a trustee of the charity, donated £Nil (2020: £100).

Mr A A Najib, a trustee of the charity, and his wider family donated £31,460 (2020: £2,800).

Dr A Rashid, a trustee of the charity, donated £5 (2020: £20).

Dr Farhan Rashid, a trustee of the charity, donated £490 (2020: £Nil)

Dr Z Sheikh, a trustee of the charity, donated £1,050 (2020: £50).

M. Najib & Sons Limited, a company in which Mr A A Najib is a director and a shareholder, donated £1,850 (2020: £1,800).

Ifti's Medical Services Limited, a company in which Mr S Y Iftikhar is a director and a shareholder, donated £360 (2020: £Nil).

Other transactions with related parties

During the year, The Accounting House, a business owned by Ms T Kent-Chapman provided bookkeeping services to the charity on an arm's length basis. These services amounted to £20,186 (2020: £6,000).

During the year, the executive trustees personally repaid a loan granted to an employee of the hospital by the charity of £2,506.

During the year, the charity advanced 2,000,000 Pakistani Rupees (£9,189 at the prevailing spot rate) to the Chief Executive Officer of the Midland Doctors Medical Institute (Mr B Hussain). At the year-end the balance was 1,600,000 Pakistani Rupees, which at the 31 December 2021 rate is: £6,708, and is included within other debtors. At the year-end, there was an unrealised loss on foreign exchange of £644. The loan is unsecured, interest-free and is being repaid in equal instalments over 60 months. Dr S Y Iftikhar, a trustee of the charity, is the guarantor of this loan and will repay the loan to the charity in the event of a default by Mr B Hussain.

Included within other creditors is an amount of £1,153 (2020: £1,153). advanced to the charity by Mr A A Najib. This amount is unsecured, interest-free and has no fixed repayment date; however, this loan was repaid to Mr A A Najib in April 2022.

MIDLAND DOCTORS ASSOCIATION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

19	Cash generated from operations	2021	2020
		£	£
	(Deficit)/surplus for the year	(26,208)	190,895
	Adjustments for:		
	Investment income recognised in statement of financial activities	(4)	(44)
	Foreign exchange differences	643	-
	Gain on disposal of tangible fixed assets	-	(215)
	Depreciation and impairment of tangible fixed assets	103,949	97,748
	Movements in working capital:		
	Decrease in debtors	4,747	8,657
	Increase in creditors	14,984	10,742
	Cash generated from operations	98,111	307,783

20	Analysis of changes in net funds
	The charity had no debt during the year.
