

**Riders
for
Health**

Annual Report and Accounts

For the 9 months ended
31 December 2004

Company Limited by Guarantee
Registration Number
3178605 (England and Wales)

Charity Registration Number
1054565

BUZZACOTT

Contents

Reports

| | |
|--------------------------------------|----|
| Legal and administrative information | 1 |
| Chairman's statement | 3 |
| Trustees' report | 5 |
| Independent auditors' report | 15 |

Accounts

| | |
|-----------------------------------|----|
| Statement of financial activities | 17 |
| Balance sheet | 18 |
| Principal accounting policies | 19 |
| Notes to the accounts | 22 |

Legal and administrative information

| | |
|------------------------------------|--|
| Trustees | A Kamba (President) (Zimbabwe) M McCulloch (Chairman) C Aksland (USA) L Davies R Horsley K Huewen D Lavelle S Macdonald S Male B Margetts F Minoli (Italy) S Parrish N Pitts-Tucker P Richards J Ryan MP J Wickes |
| Secretary | A Coleman |
| Joint chief executives | |
| Finance | A Coleman |
| Operational | B Coleman |
| Registered office | 3 New Street Daventry Northamptonshire NN11 4BT |
| Company registration number | 3178605 (England and Wales) |
| Charity registration number | 1054565 |
| Auditors | Buzzacott 12 New Fetter Lane London EC4A 1AG |
| Bankers | HSBC plc 29 Bowen Square Daventry Northamptonshire NN11 4ER |

Legal and administrative information

Solicitors Joblings
5 Brook Street
Daventry
Northamptonshire
NN11 4ER

Health crisis

The health of African people is in decline. Life expectancy is shockingly low (43 years) and getting lower. One in six children dies before they are five years old.

This is not a new or even a newly-recognised problem – but the world is wretchedly struggling to find a real solution. Investment in the research and development of high-tech disease control will continue to have very little impact on communities in Africa until one vital issue is addressed – transportation. What good is 21st century health care if it doesn't reach people?

The solution – Riders for Health

This has always been a challenging environment in which to work. Our patron, HRH Princess Royal, describes the isolation of African communities as 'the tyranny of distance'. The difficulty of covering the last mile right out to rural areas affects ministries of health, NGOs, bi-lateral agencies, the World Health Organization, other UN agencies, and international co-operation initiatives across the continent. This year has been made more difficult by financial difficulties brought on by the state of the US dollar and late payments for work in the field.

Despite these difficulties Riders for Health (Riders) is carrying out its twofold mission with more vigour than ever: helping build reliable capacity to deliver public health services in Africa, and ensuring transport is given higher priority in development thinking and practice. The end of 2004 sees an increase in impressive results showing that Riders' impact on health is more widespread each year.

Moving transport up the agenda

During April – December 2004 Riders maintained a strong focus on moving the need for appropriate transport up the global agenda. Riders believe this is a key part of our strategy if a large-scale difference is to be made. Although donors interested in disease prevention often commit huge capital to sending vehicles to Africa, they send them into an environment that has none of the infrastructure used to sustain vehicles in the US or Europe. Even worse, there is little or no training available to vehicle users, riders or drivers. Trained technicians are scarce and seriously under-equipped. Many donors mistakenly believe that vehicles they have paid for are still in service but graveyards of nearly-new vehicles are a common sight in Africa. The average life of an unmanaged vehicle in the harsh environment of rural Africa is a little over a year. A motorcycle will last eight months. The donors' money is wasted and in most cases further costs will have been incurred with expensive repairs.

Riders has made substantial progress in advocacy (for example with inclusion in the Schwab Foundation for outstanding social entrepreneurship) and the effects have been seen in the fact that big players in the development world are now giving a higher priority to transport.

Moving transport up the agenda (continued)

Meanwhile our current programmes have been strengthened as 2004 has begun an improvement in quality and a drive for best practice throughout the organisation. The message is clear: with the relatively modest investments that Riders makes, motivated African health professionals can deliver, day in and day out, the health services so much needed by rural people. And when people can count on their health services, they and their families are better equipped to take on the other challenges of development. Appropriate transport for development underpins every single health and development issue and this is a message we will reinforce as we strengthen our position as experts in transport for development.

Michael McCulloch
Chairman

Trustees' report 9 month period to 31 December 2004

The trustees present their statutory report with the accounts of the charitable company for the 9 month period ended 31 December 2004.

The report has been prepared in accordance with Part VI of the Charities Act 1993.

The accounts have been prepared in accordance with the accounting policies set out on pages 19 to 21 of the attached accounts and comply with the charity's memorandum and articles of association, applicable laws and the requirements of Statement of Recommended Practice on "Accounting and Reporting by Charities" issued in October 2000.

Constitution

Riders for Health was incorporated on 27 March 1996 as a company limited by guarantee and not having a share capital (registration number 3178605). It is permitted to exclude the word 'limited' from its name under section 30 of the Companies Act 1985. It has also been registered as a charity (registration number 1054565).

In the event of the company being wound up, members and those within one year of ceasing to be members are required to contribute an amount not exceeding £10 per person.

Organisation and scope of the accounts

Riders for Health is a family of organisations, each set up according to domestic law.

The accounts of the charity include the financial activities of the charity in the UK as well as the financial activities of the Riders for Health family around the world.

The other members of the Riders for Health family, who are referred to as branches elsewhere in the annual report and accounts, are as follows:

Operational branches

- ◆ The Gambia
- ◆ Nigeria
- ◆ Zimbabwe

Fundraising branches

- ◆ Germany
- ◆ Holland
- ◆ Italy
- ◆ Spain
- ◆ United States of America

The fundraising branches in Germany and Italy have been successful in their second year of operation and have significantly increased the support gathered in the European motorcycling community. The US, Spanish and Dutch fundraising branches are benefiting from their growing experience gained during the years they have been supporting Riders' work.

The UK office continues to act as a support for the other branches and ensures that the same standards of accountability and best practice are applied throughout Riders for Health.

Principal aims and objectives

The principal aim of the charity is to improve health-care delivery and other key public services in Africa, particularly in rural areas where roads and maintenance facilities are poor or non-existent, by ensuring that vehicles used by health professionals run reliably and cost-effectively.

The charity has set up training and preventative maintenance systems, including fuel and replacement part supplies, suitable for these difficult environments so that four-wheeled vehicles and motorcycles operate at their optimum mechanical and economic efficiency.

Without reliable transport, health professionals cannot address the needs of their communities and immunisation programmes, health-education and referrals to clinics are inclined to fail. By demonstrating how such programmes can be successfully operated, Riders for Health will seek to influence the approach to transport management taken by governments, donors and multilateral organisations.

Riders for Health aims to build a robust, sustainable organisation capable of providing its services to health professionals and organisations devoted to health-care delivery and other developmental aims for the foreseeable future.

An additional aim is to raise awareness of the general problem of transport in Africa through advocacy and education.

Activities

There are four main activities through which the charity delivers its principal aim:

- ◆ Community transport
- ◆ Consultancy
- ◆ Logistics
- ◆ Training

Community transport

The need for specific transport projects addressing the needs of impoverished communities is extremely widespread. Riders for Health has run for the past three years a very successful model in the district of Binga in Zimbabwe (Matebeleland North province). This model involved providing 16 motorcycles for environmental health technicians and other primary health care extension workers and has meant that for over three years all of the district's available health workers have been mobile.

This approach has been so successful that Riders for Health intends to use it throughout the country so that eventually every district will have a complete resource of fully-mobile health workers. A donation from Honda of 75 XL25s, spread over three years from 2004 to 2006, has 'kick-started' this process, which has now become official policy of the Zimbabwean government. Other agencies, such as the World Health Organization (WHO), have lent their support to this approach.

Activities (continued)

Community transport (continued)

The specialised sidecar attachment known as the Uhuru has continued to be produced in Zimbabwe over the last year and has now been exported to the Gambia and to Kenya. Reports indicate great improvements in health and income generation within the communities where an Uhuru is placed. A number of Rotary clubs in the UK have been involved in raising money for Uhuru projects. As a matter of policy Riders is not going to manufacture any more Uhurus in the immediate future but focus on close monitoring of the progress of the Uhurus already placed. This monitoring process has been helped by the fact that Uhuru placement was concentrated in Makoni district with a view to making it a showpiece district for the impact of community transport on health and income generation.

Consultancy

No formal consultancy work has been carried out over the nine-month period from April-December. The capability is in place to respond efficiently and with readiness to any requests for work on a consultancy basis.

Logistics

Two types of logistics systems – transport resource management (TRM) in which all aspects of fleet management, including fuel, are provided, and interval servicing which is vehicle maintenance on a planned, preventative basis – are in operation in the Gambia, Nigeria and Zimbabwe.

All three national logistics programmes are striving for an increase in quality and Riders continues to become still more widely known and accepted as an expert in the field of transport for development.

Riders' TRM system in the Gambia now has a huge impact on the level of health care regularly administered throughout the country. In addition to the vehicles managed on behalf of the Ministry of Health, Riders Gambia has seen a steady increase in customers for the TRM system. Four Yamaha AG 200 motorcycles have been exported to the Gambia to reinforce the outreach technician scheme maintaining and servicing the Participatory Health Population and Nutrition Project Fleet.

Riders Nigeria are now managing 127 vehicles of the WHO polio-eradication fleet – the first 37 vehicles that began the fleet in 1999 are still running and have covered up to 300,000 kilometres each. An official contract for management of the workshops at UN house in Abuja was signed just before the end of 2004 and will involve restructuring of the Nigeria teams.

In Zimbabwe, the Ministry of Health and Child Welfare (MoHCW) continues to have a good working relationship with Riders for Health and large fleets of vehicles are efficiently managed in difficult conditions. The permanent registration as a humanitarian NGO received in March 2004 has speeded up the many customs and administration processes involved in Riders' work.

Activities (continued)

Logistics (continued)

The number of vehicles managed at 31 December 2004 was:

| | 31 December 2004 No of vehicles | 31 March 2004 No of vehicles |
|--------------|--|--|
| Zimbabwe | 494 | 494 |
| Nigeria | 139 | 139 |
| The Gambia | 330 | 251 |
| Total | 963 | 884 |

Training

The International Academy for Vehicle Maintenance (IAVM) in Harare, Zimbabwe continues to thrive in its third year of running. The Academy has had success with its new course in comprehensive fleet management, implemented at the start of 2004. The general fleet management course covers the entire running of a small mixed fleet consisting of four-wheel vehicles, motorcycles and Riders' Uhurus (motorcycles with sidecar ambulance). The course is intended to accelerate continent-wide dissemination of Riders' expertise and specialised transport knowledge.

Review of the period and future developments

Riders existing programmes are continually being strengthened with some controlled expansion taking place; this steady approach has enabled us to become widely respected in the development sector.

The Honda donation of 75 motorbikes to the community transport programme in Zimbabwe has created the capacity to launch a broad-spectrum policy of transforming health delivery district by district and increased result-monitoring from this will add still more proof that the TRM system has a sustainable impact on health. Other agencies in Zimbabwe have agreed to follow the strategy so that within eight years it will become the first country in Africa in which every primary health worker is mobile and all communities can be reached on a regular, predictable basis. This provides a reliable and effective model to advocate as an appropriate transport solution for Africa's health systems.

As a result we are in a position to now consider a fourth programme, in the form of a large-scale replication of the TRM system. The quality of the three existing programmes has improved enough in 2004 for replication to be feasible and the communications, advocacy and fundraising work has been also strengthened during this period. The focus on profile-raising in the UK, Europe and the USA has added stability and credibility to the organisation – putting Riders in a strong enough position to support a large-scale replication and also to attract the prospective partners necessary for this replication.

Fundraising

The international motorcycling community has continued to support Riders throughout the year, with new initiatives being consistently planned and activated. Events-related work is carried out in the UK, Germany, Italy, Holland and Spain with substantial support from Ducati and Dorna. Income from motorcycling events is steadily increasing, helped by the growing popularity of MotoGP.

In 2004, we initiated plans to diversify income streams from sources other than the motorcycling community. During the year, we strengthened our fundraising relationships with small grant-giving trusts, foundations, Rotary and philanthropic individuals. We commenced a programme, funded by a grant from the Nuffield Foundation, to provide bursaries at the IAVM for small African NGO's with limited resources wishing to train their outreach operatives. Continuing support from the World Bank through its Development Market Place resulted in one of our projects appearing on the US fundraising website, GlobalGiving.com which successfully attracted income.

Riders won the Sage/Daily Telegraph Best Business Leader Award 2005 and Global Health Council Award for Best Practices in Development during the period.

Partnership Building and Advocacy

Riders has built very successful partnerships in the past and will continue to develop appropriate partnerships in the future. Significant among these is the selection of Andrea and Barry Coleman into the Schwab Foundation network for social entrepreneurs. The Schwab Foundation is a sister organisation to the World Economic Forum and will provide access to many of the world's key players in development, both in political and financial circles.

We anticipate that the Schwab network will help us to continue to promote the organisation and also motorised transport for development in general. We will continue to develop more avenues such as with NEPAD and the Africa Commission (stemming from a successful exhibition held in the House of Commons in November.) More time in 2005 will be spent by the CEO finance in the USA to consolidate existing relationships and approach new funders.

Financial report for the period

In the period the charity's accounting reference date was changed to 31 December which suits the charity's calendar better and fits in with other reporting requirements. As a consequence this is a short accounting period. In order to facilitate comparison with the prior period, figures have been compared on a pro-rata basis.

The statement of financial activities on page 17 shows a pro-rata increase in both incoming resources (24%) and total charitable expenditure (20%).

Financial report for the period (continued)

Despite the loss of income from the Democratic Republic of Congo due to the cessation of the programme, and the decrease in the Gambia (27%), logistics income has increased in Zimbabwe (118%) and Nigeria (20%). However, the overall increase (19%) in the income received for activities in furtherance of the charity's objectives is outweighed by a similar increase (21%) in the costs of activities in furtherance of the charity's objectives. In addition the income and expenditure of operations in Zimbabwe, which are translated into sterling at an average rate of exchange for the period, is affected by the hyperinflation in that country.

There is a significant (68%) increase in income from events and similar activities and grants receivable have more than doubled (155%) during the period, both due to the appointment of a fundraiser in the UK office. Most of the grants received have been restricted for specific projects.

There is a decrease of 12% in the income received from donations. Although individual donations have increased (41%), corporate donations and donations of goods and services have decreased by 25% and 83% respectively.

Other incoming resources have increased by 30%, mainly due to the growth in training and vehicle servicing (44%).

The cost of generating funds, which includes the costs incurred in managing events, applying for grants and seeking donations, shows an increase of 44%, which is more than the increase of 34% in the corresponding income streams. This is attributable to the increase in staff costs and recruitment in the UK and the increase in direct event costs.

The balance sheet shows that stock levels have increased (34%) for the second accounting period in a row. This is due to the increased growth in fleet management services. The level of debtors has increased by 35%, the majority (31%) of this is in Zimbabwe. The level of cash held at the end of the financial period has increased by 45% and creditors by 48%. This is partly due to the repayment of the Nigeria replacement fund in the previous accounting period. The schedule for the repayment of the fund, originally intended for the replacement of vehicles in the Nigeria fleet, has been agreed with the World Health Organization and the outstanding amount of £12,721 will be repaid in full in 2005. Movement on the fund is shown in note 19 on page 30.

There is a shortfall of £139,542 between the incoming resources for activities in furtherance of the charity's objects and the associated costs (£1,659,091 and £1,798,633 respectively). Income from events, donations and grants total £744,456 and the associated costs for generating funds are £287,888 giving a surplus of £456,568. This deficit of £139,542 and surplus of £456,568, together with additional income of £80,612 and after support, management and administration costs totalling £183,152 are taken into account, result in an overall surplus from ordinary activities of £214,486 for the year.

This surplus is split as follows: restricted funds have increased by £52,342; the fixed asset fund has increased by £73,179; the general reserves have increased by £88,965.

Reserves policy and financial position

Free reserves are the resources the charity has or can make available to spend for any or all of the charity's purposes once it has met all its commitments and covered its other planned expenditure. Free reserves therefore do not include restricted funds, designated funds and income funds that could only be realised by disposing of fixed assets held for charity use. For clarification, free reserves are referred to as "general reserves" in the trustees' report and "general funds/reserves" in the audited accounts.

The charity needs general reserves for the following reasons:

- ◆ To protect against late payment by partners and funding bodies
- ◆ To provide for fluctuations in income or expenditure
- ◆ To ensure continuity of support to beneficiaries
- ◆ To plan for growth and development.

An additional factor to be taken into account is that the charity operates in countries with non-convertible currencies. The reserves held in Zimbabwe have continued to decrease substantially in value over the year due to the collapse of the Zimbabwe dollar, which is a non-convertible currency.

The objective of the trustees is to maintain a level of general reserves equivalent to three months' expenditure. At current activity levels this would equate to approximately £600,000. As at 31 December 2004, the accounts show that the general reserves stood at £424,412. This works out at approximately 2 months expenditure, but most of these reserves (£277,296) are held in Zimbabwe a hyperinflationary economy with exchange controls. In addition, as shown in note 26, the exchange rate of the Zimbabwe dollar has collapsed since the balance sheet date meaning that in real terms general reserves are far lower.

The trustees have adopted policies to achieve the targeted level. The policies are:

- ◆ To implement the cost-control policy of predicting costs for replacement parts, made possible by adopting zero-breakdown principles
- ◆ To transfer funds to field programmes on a just-in-time basis
- ◆ To use non-convertible currencies for all programme expenditure in the relevant country
- ◆ To ensure that income is received before expenditure is committed on new programmes or projects
- ◆ To reduce wherever possible costs incurred in the UK, Europe and the United States.

The trustees will continue to monitor the level of general reserves on a quarterly basis.

Risk management

The charity operates in countries in which one or more of the social, political, geographic, climatic and economic environments can represent serious risks. Its funding partners sometimes have financial structures and complex bureaucracies which can strain relationships and delay payments. Riders for Health raises and spends money in many currencies, some of which are strong but some of which are hyper-inflationary. Its staff travel within and to countries where road conditions are difficult and where serious civil unrest can be common.

The trustees in the UK and the Management Council, the members of which are the chief executive officers of Riders for Health and the programme directors of each country, have established a system of risk assessment to identify, manage and control these risks, as well as those more commonly to be expected for any organisation with significant worldwide staff, premises and financial activity. This management of risk is a primary concern and is inevitably very resource-intensive, particularly at senior management level. All staff worldwide are involved in this process which culminates in a standing agenda item at all trustees' meetings.

The charity's assets

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the accounts.

Trustees

The trustees act as trustees of the charity for the purposes of charity legislation and directors of the charity for the purposes of the Companies Act 1985.

The following trustees were in office at 31 December 2004 and served throughout the period unless otherwise specified:

| Trustees | Appointed / Resigned |
|-----------------|-----------------------------|
| A Kamba | (President) |
| M McCulloch | (Chairman) |
| C Aksland | |
| L Davies | |
| R Horsley | |
| K Huewen | |
| D Lavelle | |
| S Macdonald | |
| S Male | |
| B Margetts | |
| F Minoli | |
| S Parrish | |
| N Pitts-Tucker | |
| P Richards | |
| J Ryan MP | |
| J Wickes | |

Trustees' report 9 month period to 31 December 2004

Trustees (continued)

No trustee received any remuneration for services as a trustee. During the period, out-of-pocket travelling expenses amounting to £605 (year ended 31 March 2004 - £nil) were reimbursed to one trustee. No trustee had any beneficial interest in any contract with the charity during the period.

Under the charity's Articles of Association the trustees shall consist of:

- ◆ those persons named in the statement delivered pursuant to section 10(2) of the Companies Act 1985, who shall be deemed to have been appointed under the articles;
- ◆ those trustees who upon retiring by rotation are reappointed at the Annual General Meeting;
- ◆ persons appointed by the members in general meeting who have:
 - (a) been recommended by the trustees; and
 - (b) notified to the members of their willingness to be appointed not less than fourteen nor more than thirty-five clear days before the meeting date.

Trustees' responsibilities statement

The trustees are required to prepare accounts for each financial period which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income or expenditure, of the charity for the period. In preparing those accounts, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ 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 accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Trustees' report 9 month period to 31 December 2004

Auditors

The auditors, Buzzacott, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

Signed on behalf of the trustees:

Michael C. McCulloch

Trustee

Approved by the board on: *12 October 2005*.

Report of the independent auditors to the members of Riders for Health

We have audited the accounts on pages 17 to 33 which have been prepared under the historical cost convention and the accounting policies set out on pages 19 to 21.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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.

Respective responsibilities of trustees and independent auditors

As described on page 13 the trustees (who are also the directors of Riders for Health for the purposes of company law) are responsible for the preparation of the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the trustees' report is not consistent with the accounts, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the trustees' report and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

Basis of opinion

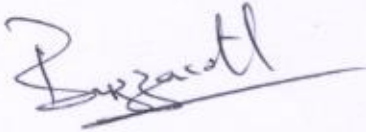
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Independent auditors' report 31 December 2004

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the charitable company as at 31 December 2004 and of the incoming resources and application of resources of the charitable company, including its income and expenditure, in the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Buzzacott
Chartered Accountants and Registered Auditors
12 New Fetter Lane
London
EC4A 1AG

24 October 2005

Statement of financial activities 9 month period to 31 December 2004

| | Notes | Unrestricted funds £ | Restricted funds £ | 9 months ended 31 December 2004 Total funds £ | Year ended 31 March 2004 Total funds £ |
|--|-------|-------------------------|-----------------------|---|--|
| Income and expenditure | | | | | |
| Incoming resources | | | | | |
| Activities in furtherance of the charity's objects | 1 | 1,591,273 | 67,818 | 1,659,091 | 1,851,335 |
| Events and similar activities | 2 | 398,036 | — | 398,036 | 316,707 |
| Donations | 3 | 226,180 | 21,530 | 247,710 | 373,586 |
| Grants receivable | 4 | 4,902 | 93,808 | 98,710 | 51,654 |
| Interest receivable | 5 | 13,607 | — | 13,607 | 16,727 |
| Other incoming resources | 6 | 67,005 | — | 67,005 | 68,905 |
| Total incoming resources | | 2,301,003 | 183,156 | 2,484,159 | 2,678,914 |
| Cost of generating funds | 7 | 287,888 | — | 287,888 | 266,946 |
| Net incoming resources available for charitable application | | 2,013,115 | 183,156 | 2,196,271 | 2,411,968 |
| Charitable expenditure | | | | | |
| Cost of activities in furtherance of the charity's objectives | 8 | 1,667,819 | 130,814 | 1,798,633 | 1,978,155 |
| Support costs | 9 | 146,304 | — | 146,304 | 177,271 |
| Management and administration of the charity | 10 | 36,848 | — | 36,848 | 40,018 |
| Total charitable expenditure | | 1,850,971 | 130,814 | 1,981,785 | 2,195,444 |
| Total resources expended | | 2,138,859 | 130,814 | 2,269,673 | 2,462,390 |
| Net movement in funds | 11 | 162,144 | 52,342 | 214,486 | 216,524 |
| Funds brought forward at 1 April 2004 | | 735,245 | 151,449 | 886,694 | 670,170 |
| Funds carried forward at 31 December 2004 | | 897,389 | 203,791 | 1,101,180 | 886,694 |

There is no difference between the net movement in funds stated above, and the historical cost equivalent.

All of the charity's activities derived from continuing operations during the two financial periods.

The charity has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented.

Balance sheet 31 December 2004

| | Notes | 31 December | | 31 March | |
|---|-------|------------------|------------------|-----------|----------------|
| | | 2004 £ | 2004 £ | 2004 £ | 2004 £ |
| Fixed assets | | | | | |
| Tangible assets | 14 | | 492,026 | | 423,243 |
| Investments | 15 | | 1 | | 1 |
| | | | 492,027 | | 423,244 |
| Current assets | | | | | |
| Stock | | 92,438 | | 69,083 | |
| Debtors | 16 | 593,920 | | 439,990 | |
| Cash at bank and in hand | | 403,477 | | 279,033 | |
| | | 1,089,835 | | 788,106 | |
| Creditors: amounts falling due within one year | 17 | 416,429 | | 255,730 | |
| Net current assets | | | 673,406 | | 532,376 |
| Total assets less current liabilities | | | 1,165,433 | | 955,620 |
| Creditors: amounts falling due After one year | 18 | | 64,253 | | 68,926 |
| Total net assets | 23 | | 1,101,180 | | 886,694 |
| Represented by: | | | | | |
| Charitable funds | | | | | |
| Restricted funds | 21 | | 203,791 | | 151,449 |
| Unrestricted funds | | | | | |
| Designated funds | 22 | 472,977 | | 399,798 | |
| General funds/reserves | | 424,412 | | 335,447 | |
| | | | 897,389 | | 735,245 |
| Total funds | | | 1,101,180 | | 886,694 |

Approved by the trustees
and signed on their behalf by:

Trustee

Michael C. Decker

Trustee

N.A. Pitts-Tucker

Approved on:

12 October 2005

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with the requirements of the Companies Act 1985. Applicable Accounting Standards and the Statement of Recommended Practice “Accounting and Reporting by Charities” (SORP 2000) have been followed in the preparation of these accounts.

Basis of consolidation

The statement of financial activities and balance sheet consolidate the accounts of the charity including its overseas branches (see trustees’ report) made up to the balance sheet date.

Consolidated accounts of the charity and its wholly owned subsidiary company, Riders for Health (Trading) Limited, have not been prepared as, in the opinion of the trustees, the assets, liabilities and activities of the subsidiary company are immaterial to the group.

Incoming resources

Incoming resources are recognised in the period in which the charity is entitled to receive them and when the amount can be measured with reasonable certainty.

Voluntary income, which includes income from fundraising activities and donations, is credited to the statement of financial activities in the year in which it is received.

Resources expended and the basis of apportioning costs

Expenditure is included in the statement of financial activities when incurred and includes attributable VAT which cannot be recovered.

Resources expended comprise the following:

- a. The costs of generating funds include the salaries, direct costs and overheads associated with organising events, applying for grants and generating donated income.
- b. The costs of activities in furtherance of the charity’s objects comprise expenditure on the charity’s primary charitable purposes as described in the trustees’ report.

The majority of costs are directly attributable to specific activities. Certain shared costs are apportioned to activities in furtherance of the objects of the charity.

- c. Support costs represent indirect charitable expenditure, and include the costs of raising awareness about the charity’s activities. In order to carry out the primary purposes of the charity in Africa it is necessary to provide support from the United Kingdom in the form of financial procedures, contract set up and other back office services.
- d. Management and administration comprises the costs which are directly attributable to the management of the charity’s assets, organisational procedures and the necessary legal procedures for compliance with statutory requirements.

Cash flow

The accounts do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash flow statements'.

Tangible fixed assets

All assets costing more than £250 and with an expected useful life exceeding one year are capitalised.

All tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful lives:

- ◆ Freehold buildings 2% on a straight line basis
- ◆ Leasehold property Over the period of the lease
- ◆ Motor vehicles 20% on a straight line basis
- ◆ Fixtures and equipment 25% on a straight line basis

No depreciation has been provided on freehold land.

Fund accounting

Unrestricted funds comprise those monies which may be used towards meeting the charitable objectives of the charity at the discretion of the trustees.

Designated funds are monies or assets set aside out of unrestricted funds and designated for specific purposes by the trustees.

Restricted funds are funds raised for a specific purpose or donations subject to donor imposed conditions.

Leased assets

Assets acquired under finance lease or hire purchase agreements are capitalised with a resulting lease liability being established. Interest charges in respect of the finance lease are charged to the income and expenditure account on a systematic basis.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight-line basis over the lease term.

Donated assets

Assets donated to the charity for its own use are included in incoming resources and capitalised at their market value at the time of the gift.

Foreign currencies

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction, except for Zimbabwe as noted below. Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date.

The charity is active in Zimbabwe which has a hyperinflationary economy. In order to reflect this fact and the issue of exchange control, the rate of foreign exchange available on the parallel market up until October 2003 has been applied rather than the official rate. From October 2003 the official rate became an auction rate which reflects the Zimbabwean hyperinflation and exchange controls. Transactions are translated into sterling at the average rate of exchange on the parallel market or the auction rate, as applicable, for the year. Monetary assets and liabilities are translated into sterling at the auction rate of exchange at the balance sheet date.

Exchange differences are taken to the income and expenditure account.

Stock

Stocks of fuel and replacement vehicle parts are valued at the lower of cost and net realisable value.

Pension contributions

The charity operates two defined contribution pension schemes for its employees. The assets of the schemes are held separately from those of the charity in two independent funds.

The pension costs included in the accounts represent the amount of contributions payable in respect of the accounting period.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

1 Incoming resources from activities in furtherance of the charity's objects

| | Unrestricted funds £ | Restricted funds £ | 9 months ended 31 December 2004 Total funds £ | Year ended 31 March 2004 Total funds £ |
|---|-------------------------|-----------------------|---|--|
| Logistics | | | | |
| Zimbabwe – Ministry of Health and other organisations | 583,488 | 37,148 | 620,636 | 379,321 |
| Nigeria – World Health Organization and other organisations | 674,810 | — | 674,810 | 749,156 |
| DRC – World Health Organization | — | — | — | 61,524 |
| Gambia – Department of State for Health and Social Welfare | 332,975 | 30,670 | 363,645 | 661,334 |
| | 1,591,273 | 67,818 | 1,659,091 | 1,851,335 |

2 Incoming resources from events and similar activities

| | Unrestricted funds £ | Restricted funds £ | 9 months ended 31 December 2004 Total funds £ | Year ended 31 March 2004 Total funds £ |
|-------------------------------|-------------------------|-----------------------|---|--|
| Events and similar activities | 398,036 | — | 398,036 | 316,707 |

3 Donations

| | Unrestricted funds £ | Restricted funds £ | 9 months ended 31 December 2004 Total funds £ | Year ended 31 March 2004 Total funds £ |
|----------------|-------------------------|-----------------------|---|--|
| Individuals | 117,556 | 100 | 117,656 | 110,965 |
| Corporations | 103,144 | 21,430 | 124,574 | 220,278 |
| Goods/services | 5,480 | — | 5,480 | 42,343 |
| | 226,180 | 21,530 | 247,710 | 373,586 |

4 Grants receivable

| | Unrestricted funds £ | Restricted funds £ | 9 months ended 31 December 2004 Total funds £ | Year ended 31 March 2004 Total funds £ |
|----------------------------------|-------------------------|-----------------------|---|--|
| National Lottery Charities Board | — | 25,957 | 25,957 | — |
| Friends of Masasi | — | 6,580 | 6,580 | 24,793 |
| The Nuffield Foundation | — | 14,367 | 14,367 | 6,000 |
| Souter Charitable Trust | 250 | 2,250 | 2,500 | — |
| Zurich Cares | — | 4,354 | 4,354 | — |
| Other grants | 4,652 | 40,300 | 44,952 | 20,861 |
| | 4,902 | 93,808 | 98,710 | 51,654 |

5 Interest receivable

| | Unrestricted funds £ | Restricted funds £ | 9 months ended 31 December 2004 Total funds £ | Year ended 31 March 2004 Total funds £ |
|-------------------------------|-------------------------|-----------------------|---|--|
| Interest on UK accounts | 3,737 | — | 3,737 | 2,734 |
| Interest on Zimbabwe accounts | 6,301 | — | 6,301 | 12,625 |
| Interest on other accounts | 3,569 | — | 3,569 | 1,368 |
| | 13,607 | — | 13,607 | 16,727 |

6 Other incoming resources

| | Unrestricted funds £ | Restricted funds £ | 9 months ended 31 December 2004 Total funds £ | Year ended 31 March 2004 Total funds £ |
|--------------------------------|-------------------------|-----------------------|---|--|
| Training and vehicle servicing | 40,080 | — | 40,080 | 37,094 |
| Rental income | 5,760 | — | 5,760 | 7,040 |
| Insurance claims and subsidies | 1,222 | — | 1,222 | 2,228 |
| Sale of goods | 11,870 | — | 11,870 | 14,719 |
| Miscellaneous | 8,073 | — | 8,073 | 7,824 |
| | 67,005 | — | 67,005 | 68,905 |

7 Cost of generating funds

| | Unrestricted funds £ | Restricted funds £ | 9 months ended 31 December 2004 Total funds £ | Year ended 31 March 2004 Total funds £ |
|----------------------------------|-------------------------|-----------------------|---|--|
| Fundraising and publicity | | | | |
| Direct event costs | 152,147 | — | 152,147 | 103,804 |
| Staff costs and recruitment | 70,618 | — | 70,618 | 73,611 |
| Travel and accommodation | 22,311 | — | 22,311 | 32,148 |
| Depreciation | 7,553 | — | 7,553 | 13,482 |
| Office overheads | 35,259 | — | 35,259 | 43,901 |
| | <u>287,888</u> | <u>—</u> | <u>287,888</u> | <u>266,946</u> |

The above staff costs relate to event management, grant applications and activities for generating donations. Overheads are allocated on a per capita basis.

8 Cost of activities in furtherance of the charity's objectives

| | Unrestricted funds £ | Restricted funds £ | 9 months ended 31 December 2004 Total funds £ | Year ended 31 March 2004 Total funds £ |
|-----------------------------------|-------------------------|-----------------------|---|--|
| Logistics and other project costs | 699,768 | 96,373 | 796,141 | 908,337 |
| Advocacy and education | 38,607 | — | 38,607 | 24,595 |
| Staff costs and recruitment | 538,933 | — | 538,933 | 548,966 |
| Travel and accommodation | 38,285 | — | 38,285 | 65,753 |
| Training and recruitment | 2,548 | — | 2,548 | 7,499 |
| Depreciation | 51,985 | 4,396 | 56,381 | 46,716 |
| Loss on disposals | — | — | — | 4,398 |
| General vehicle maintenance | 24,457 | — | 24,457 | 23,856 |
| Workshop and office overheads | 219,868 | — | 219,868 | 184,212 |
| Exchange rate losses | 53,368 | 30,045 | 83,413 | 163,823 |
| | <u>1,667,819</u> | <u>130,814</u> | <u>1,798,633</u> | <u>1,978,155</u> |

The exchange rate losses arise mainly as a result of operating in countries with non-convertible currencies. £485,734 represents the cost of operations in Zimbabwe at an exchange rate of ZWD 9,860 to GBP 1.

9 Support costs

| | Unrestricted funds £ | Restricted funds £ | 9 months ended 31 December 2004 Total funds £ | Year ended 31 March 2004 Total funds £ |
|-----------------------------|-------------------------|-----------------------|---|--|
| Staff costs and recruitment | 120,437 | — | 120,437 | 130,785 |
| Travel and accommodation | 1,167 | — | 1,167 | 2,154 |
| Depreciation | 4,334 | — | 4,334 | 8,756 |
| Other office overheads | 20,366 | — | 20,366 | 35,576 |
| | 146,304 | — | 146,304 | 177,271 |

10 Management and administration of the charity

| | Unrestricted funds £ | Restricted funds £ | 9 months ended 31 December 2004 Total funds £ | Year ended 31 March 2004 Total funds £ |
|---|-------------------------|-----------------------|---|--|
| Legal, professional and accounting fees | 35,224 | — | 35,224 | 31,859 |
| Other governance costs | 1,624 | — | 1,624 | 8,159 |
| | 36,848 | — | 36,848 | 40,018 |

11 Net movement in funds

This is stated after charging:

| | 9 months ended 31 December 2004 £ | Year ended 31 March 2004 £ |
|---|--|-------------------------------------|
| Staff costs (note 12) | 729,988 | 739,160 |
| Depreciation | 67,647 | 68,954 |
| Auditors' remuneration | | |
| . Audit – overall charity and UK branch | 26,350 | 27,000 |
| . Audit – branches | 27,231 | 13,870 |
| Operating lease charges | 28,650 | 21,113 |

12 Staff costs

| | 9 months ended 31 December 2004 £ | Year ended 31 March 2004 £ |
|-------------------------------|--|--|
| Wages and salaries | 642,903 | 668,842 |
| Employer's national insurance | 33,882 | 44,677 |
| Pension costs | 20,362 | 25,641 |
| Recruitment and training | 32,841 | 14,202 |
| | 729,988 | 753,362 |

Staff costs per function were as follows:

| | 9 months ended 31 December 2004 £ | Year ended 31 March 2004 £ |
|---|--|--|
| Cost of generating funds | 70,618 | 73,611 |
| Cost of activities in furtherance of the charity's objectives | 538,933 | 548,966 |
| Support costs | 120,437 | 130,785 |
| | 729,988 | 753,362 |

The average number of employees, on a full time equivalent basis, analysed by function was:

| | 9 months ended 31 December 2004 No. | Year ended 31 March 2004 No. |
|---|--|--|
| Cost of generating funds | 3 | 3 |
| Cost of activities in furtherance of the charity's objectives | 222 | 174 |
| Support costs | 5 | 5 |
| | 230 | 182 |

Two employees earned £50,000 per annum or more (excluding pension contributions and including benefits) during the period (year ended 31 March 2004 – one).

Employer contributions totalling £7,200 were made to a defined contributions pension scheme for the period in respect of two employees who earned £50,000 or more.

No trustee received any remuneration in respect of their services as a trustee during the period (year ended 31 March 2004 – £nil).

During the period, out-of-pocket travelling expenses amounting to £605 (year ended 31 March 2004 – £nil) were reimbursed to one trustee.

13 Taxation

Riders for Health is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

14 Tangible fixed assets

| | Land and buildings £ | Motor vehicles £ | Fixtures and equipment £ | Total £ |
|------------------------|----------------------------|------------------------|--------------------------------|----------------|
| Cost | | | | |
| At 1 April 2004 | 220,839 | 164,228 | 266,311 | 651,378 |
| Additions | 5,658 | 51,715 | 82,150 | 139,523 |
| Disposals | — | (7,806) | (104) | (7,910) |
| At 31 December 2004 | 226,497 | 208,137 | 348,357 | 782,991 |
| Depreciation | | | | |
| At 1 April 2004 | 10,625 | 78,814 | 138,696 | 228,135 |
| Charge for period | 3,057 | 22,019 | 42,571 | 67,647 |
| Disposals | — | (4,713) | (104) | (4,817) |
| At 31 December 2004 | 13,682 | 96,120 | 181,163 | 290,965 |
| Net book values | | | | |
| At 31 December 2004 | 212,815 | 112,017 | 167,194 | 492,026 |
| At 31 March 2004 | 210,214 | 85,414 | 127,615 | 423,243 |

The net book value of land and buildings comprises the following:

| | 31 December 2004 £ | 31 March 2004 £ |
|----------------------|-----------------------------|--------------------------|
| Freehold interest | 84,069 | 85,462 |
| Long term leasehold | 69,512 | 64,692 |
| Short term leasehold | 59,234 | 60,060 |
| | 212,815 | 210,214 |

14 Tangible fixed assets (continued)

The net book value of fixed assets held under finance leases and the depreciation charged on these assets during the period was as follows:

| | 31 December 2004 £ | 31 March 2004 £ |
|-------------------------------|---------------------------------------|--------------------------|
| Motor vehicles | | |
| Net book value | 6,895 | 11,033 |
| Depreciation charge | 4,138 | 5,517 |
| Fixtures and equipment | | |
| Net book value | 2,236 | 3,578 |
| Depreciation charge | 1,342 | 1,789 |

15 Investments

| | 31 December 2004 £ | 31 March 2004 £ |
|---------------------------------------|---------------------------------------|--------------------------|
| Investments in subsidiary undertaking | 1 | 1 |

Riders for Health owns the entire issued ordinary share capital of Riders for Health (Trading) Limited, a company incorporated in England and Wales (registration no. 3875608). The company did not trade during the period under review.

Accounts for the company will be filed with the Registrar of Companies in due course.

16 Debtors

| | 31 December 2004 £ | 31 March 2004 £ |
|---------------|---------------------------------------|--------------------------|
| Trade debtors | 442,332 | 319,578 |
| Prepayments | 96,837 | 86,622 |
| Other debtors | 54,751 | 33,790 |
| | 593,920 | 439,990 |

17 Creditors: amounts falling due within one year

| | 31 December 2004 £ | 31 March 2004 £ |
|--|---------------------------------------|--------------------------|
| Bank loan | 4,489 | 5,118 |
| Trade creditors | 81,792 | 28,700 |
| Other taxation and social security | 16,256 | 13,860 |
| WHO – Nigeria vehicle replacement fund (see note 19) | 12,721 | 94,742 |
| Other creditors | 12,379 | — |
| Accruals | 102,195 | 56,574 |
| Deferred income | 185,276 | 50,032 |
| Obligation under finance leases (secured) | 1,321 | 6,704 |
| | 416,429 | 255,730 |

The bank loan is with HSBC plc, for a period of 20 years, and carries interest of 3% above base rate. The loan is secured on the charity's freehold property in the UK.

The finance lease obligations are secured on the underlying assets.

18 Creditors: amounts falling due after more than one year

| | 31 December 2004 £ | 31 March 2004 £ |
|---|---------------------------------------|--------------------------|
| Obligation under finance leases (secured) (see note 17) | — | 591 |
| Bank loan (see note 17) | | |
| . Within one to two years | 3,793 | 2,764 |
| . Within two to five years | 12,898 | 7,689 |
| . After five years | 43,265 | 53,490 |
| Other loans | | |
| . Holland | 2,052 | 2,046 |
| . Nigeria | 2,245 | 2,346 |
| | 64,253 | 68,926 |

19 Repayment of Nigeria vehicle replacement fund

The Nigeria vehicle replacement fund comprised income received from the World Health Organization to build up a fund to replace the vehicles used in that programme.

During 2002 it was agreed that the fund would be repaid to enable the World Health Organization to deal with vehicle replacement directly. As a result the balance on the fund was recognised as a liability in the accounts for the year ended 31 March 2002.

Repayment of the fund continued during the period as follows:

| | At 1 April 2004 £ | Income £ | Repayment to WHO £ | Foreign exchange gain £ | At 31 December 2004 £ |
|--|----------------------------|-------------|--------------------------|----------------------------------|--------------------------------|
| Nigeria vehicle replacement fund (note 17) | 94,742 | — | (81,904) | (117) | 12,721 |

20 Lease commitments

Future annual rental commitments under operating leases are:

| | Land and buildings | |
|------------------------|-----------------------------|--------------------------|
| | 31 December 2004 £ | 31 March 2004 £ |
| Leases which expire: | | |
| . In one year | 1,104 | — |
| . In two to five years | 15,835 | 21,113 |
| . After five years | 29,808 | 115 |

21 Restricted funds

| | At 1 1 April 2004 £ | Incoming resources £ | Expendi- ture and transfers £ | Exchange loss £ | At 31 December 2004 £ |
|-------------------------------------|------------------------------|----------------------------|--|-----------------------|--------------------------------|
| IAVM fund | 12,428 | 25,957 | (30,029) | — | 8,356 |
| Vehicle replacement fund – Zimbabwe | 57,293 | 37,148 | (1,918) | (23,544) | 68,979 |
| Uhuru Rotary | 5,903 | 20,930 | (25,176) | — | 1,657 |
| Nuffield Foundation | 6,000 | 14,367 | (8,367) | — | 12,000 |
| Friends of Masasi | 12,932 | 6,580 | (1,849) | — | 17,663 |
| Vehicle replacement fund – Gambia | 27,318 | 30,670 | — | (6,501) | 51,487 |
| Honda donation | 23,445 | — | (4,396) | — | 19,049 |
| Souter Charitable Trust | — | 2,250 | (2,250) | — | — |
| Zurich Cares | — | 4,354 | (4,354) | — | — |
| Other | 6,130 | 40,900 | (22,430) | — | 24,600 |
| | 151,449 | 183,156 | (100,769) | (30,045) | 203,791 |

21 Restricted funds (continued)

The specific purposes for which the funds are to be applied are as follows:

- ◆ The IAVM fund comprises donations and grants received from Burmah Castrol plc and the Community Fund to help with the establishment of the IAVM in Harare, Zimbabwe.
- ◆ The vehicle replacement fund (Zimbabwe) comprises income receivable from the Ministry of Health in Zimbabwe to be used for the replacement of vehicles in the logistics programme in Zimbabwe.
- ◆ Uhuru Rotary - Income from Rotary clubs towards the production of the Uhuru, a specialised sidecar to be attached to a motorcycle. The vehicles are used by communities for transport and income generation.
- ◆ The Nuffield Foundation fund comprises grants to provide bursaries at the IAVM.
- ◆ The Friends of Masasi fund comprises income received to cover the capital and revenue costs of a small fleet of motorcycles used for health care delivery in Tanzania.
- ◆ The vehicle replacement fund (Gambia) comprises income receivable from the Department of State for Health and Social Welfare in Gambia to be used for the replacement of vehicles in the logistics programme in Gambia.
- ◆ The Honda donation consisted of 25 motorbikes to be used by healthcare professionals in Zimbabwe and managed under the Riders for Health logistics system.
- ◆ The Souter Charitable Trust and Zurich Care funds comprise income to be used towards motorbike running costs in Zimbabwe.

22 Designated funds

| | At 1 April 2004 £ | New designations £ | Utilised/ released £ | At 31 December 2004 £ |
|------------------|----------------------------|--------------------------|----------------------------|--|
| Fixed asset fund | 399,798 | 73,179 | — | 472,977 |

The fixed asset fund represents the net book value of the charity's unrestricted tangible fixed assets. Such assets are essential to the ongoing work of the charity and their net book value should not, therefore, be considered as funds available to meet everyday costs or contingencies.

23 Analysis of net assets between funds

| | Unrestricted funds | | | Total 31 December 2004 £ |
|--|--------------------------|--------------------------|-----------------------|--------------------------------------|
| | Restricted funds £ | Designated funds £ | General funds £ | |
| Fund balances at 31 December 2004 are represented by: | | | | |
| Tangible fixed assets | 19,049 | 472,977 | — | 492,026 |
| Investments | — | — | 1 | 1 |
| Net current assets | 184,742 | — | 488,664 | 673,406 |
| Creditors: amounts falling due after more than one year | — | — | (64,253) | (64,253) |
| Total net assets | 203,791 | 472,977 | 424,412 | 1,101,180 |

24 Trustees Indemnity Insurance

The charity has purchased insurance to protect the charity from any loss arising from the neglect or default of its trustees, employees and agents to indemnify the trustees or other officers against the consequences of any neglect or default on their part. The insurance premium paid by the charity during the period totalled £938 (year ended 31 March 2004 - £1,045) and provides cover of up to a maximum of £0.5 million (year ended 31 March 2004 - £0.5 million).

25 Pension costs

During the period the charity operated one defined contribution pension schemes and one group personal pension scheme for employees. The assets of the pension schemes are held separately from those of the charity in independent funds.

The pension cost charge represents contributions payable by the charity to the fund amounting to £16,315 (year ended 31 March 2004 - £20,889).

Unpaid pension contributions at 31 December 2004 total £1,172 (year ended 31 March 2004 - £2,747).

26 Foreign exchange exposure

At 31 December 2004 the net assets of the charity are denominated in local currencies as follows:

| | UK£ | US\$ | * Zim\$ | Gambia | Nigeria | Euro | Total |
|---|-----------|--------|------------|----------|----------|---------|------------------|
| Exchange rate at 31 December 2004 | 1.00 | 1.926 | 10,885 | 56.14 | 249.43 | 1.411 | |
| Fixed assets | 117,068 | — | 177,109 | 111,580 | 84,123 | 2,147 | 492,027 |
| Current assets | 278,500 | 18,712 | 386,236 | 240,190 | 100,384 | 65,813 | 1,089,835 |
| Current liabilities | (303,687) | (29) | (39,961) | (11,930) | (60,248) | (574) | (416,429) |
| Net current assets | (25,187) | 18,683 | 346,275 | 228,260 | 40,136 | 65,239 | 673,406 |
| Creditors over 1 year | (59,956) | — | — | — | (2,245) | (2,052) | (64,253) |
| Total net assets at 31 December 2004 | 31,925 | 18,683 | 523,384 | 339,840 | 122,014 | 65,334 | 1,101,180 |
| Net assets at 31 December 2004 restated at 31 August 2005 exchange rates | 31,925 | 20,148 | 141,710 | 366,263 | 130,026 | 63,055 | 753,127 |
| Exchange rate at 31 August 2005 | 1.00 | 1.786 | 40,202 | 52.09 | 234.06 | 1.462 | |
| Exchange rate at 1 April 2004 | 1.00 | 1.843 | 7,890 | 54.19 | 252.78 | 1.499 | |

Some of these countries are subject to hyperinflation and have exchange controls in place.

- * Zimbabwe's net assets are translated into sterling at the auction rate of exchange. The Reserve Bank of Zimbabwe has adopted a foreign currency auction system to better manage Zimbabwe's foreign currency reserves. The system involves the auctioning of foreign currency to the foreign exchange market, bi-weekly, through a Currency Exchange with the Reserve Bank.