

**Riders  
for  
Health**

**Annual Report and Accounts**

31 December 2005

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

Charity Registration Number  
1054565

BUZZACOTT

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## Legal and administrative information

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

## **Legal and administrative information**

**Solicitors** Joblings  
5 Brook Street  
Daventry  
Northamptonshire  
NN11 4ER

## Chairman's statement Year to 31 December 2005

The Millennium Development Goals set eight objectives for the United Nations agencies and for global NGOs, to reduce poverty and ill health in developing countries by 2015. But the health of the people of Africa, at least, is in further decline. People continue to die of easily preventable diseases, and mothers and children remain particularly vulnerable.

The developed world has responded by committing considerable new resources to reduce disease and improve lives and livelihoods. But only a small proportion of those resources yet reach people most in need – those who live in isolated, rural areas.

A major cause of this failure to deliver is that reliable and appropriate transport is missing. This must and, Riders has shown, can be changed. Enabling mobility is one of the most cost-effective keys to progress in Africa, and without it there can be little sustainable development for many of its people.

Our response, at Riders for Health, is unique. We have a single focus—to develop and establish practical, on-the-ground, infrastructure for managing vehicles in harsh environments. We build national programmes managed by local staff. We provide a vehicle management service that allows Ministries of Health, NGOs, and others to commit their fleets to our expert care, enabling them in turn to deliver services to those who need them. These programmes have the potential to be financially viable, and to be scaled up for wider impact. They can be replicated in any country. Our work is not necessarily glamorous or in the headlines, but investing in it brings huge impact at low cost.

Our long term aim is to embed the culture and practice of vehicle management into the African continent, as a dependable platform for development of all kinds.

I am delighted that our innovative work has been recognised by the Global Health Council, who presented Riders for Health with their prestigious 2005 award for best practice in international development. To quote Dr Nils Daulaire, the Council's President and CEO:

*Riders for Health does a remarkable job at something that is relatively simple, and relatively inexpensive, but has the potential for spreading an effect all over the African continent.*

We have been encouraged by the results of an intensive due diligence process, carried out during 2005 by an independent strategic consultancy—at no cost to us. Here are some of their findings:

- ◆ Riders ensures that over 900 professional health workers across Africa have the means to reach the people under their care. They can now do the job that they were trained for
- ◆ With Riders' support, mobilised nurses are covering four times the area, and reaching four times the number of people, compared with previous practice. They are diagnosing and treating 261% more cases of diarrhoea and 55% more cases of malaria. Before Riders' involvement, 62% of infants in the Gambia were fully immunised; now the figure has reached 73%

**Chairman's statement** Year to 31 December 2005

Overall, as a result of Riders' work, some 10.8 million women, men and children across Africa are now accessing the basic health care taken for granted by the developed world. Can there be any more doubt how crucial appropriate transportation is to the fight against preventable diseases?

These successes have prompted Riders for Health to be bolder in looking forward in our three year business plan. Our goal is to ensure that, by 2008, 10 million more people in Africa have reliable access to essential services as a result of our work.

Michael McCulloch – Chairman

The trustees present their statutory report with the accounts of the charitable company for the year ended 31 December 2005.

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 20 to 22 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

#### ***Satellite programmes***

- ◆ Kenya
- ◆ Tanzania

#### ***Fundraising branches***

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

The five fundraising support branches are all now well established and bringing in a steady stream of income and are substantially increasing the support base in the European and US motorcycling community. Groundwork has begun to be laid for increasing the US support base even more, and also for initiating a support branch in Australia.

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 reliably and efficiently.

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
- ◆ Logistics
- ◆ Consultancy
- ◆ 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 programme in the district of Binga in Zimbabwe (Matebeleland North province). This scalable model provides 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. A result of this work is a 20% reduction in mosquito deaths.

This approach has been so successful that Riders for Health aims to reproduce this throughout the country so that, slowly but surely, 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.

### **Activities** (continued)

#### Community transport (continued)

The specialised sidecar attachment known as the Riders Uhuru has continued to be produced in Zimbabwe over the last year. 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 and eight new Uhurus have been manufactured in Zimbabwe. Riders for Health is concentrating Uhuru placement in Makoni district with a view to making it a showpiece district for the impact of community transport on health and income generation. Two Uhurus have been exported to the Gambia to launch the community transport project there.

#### Consultancy

No formal consultancy work has been carried out over the past year but Riders for Health intends to pursue work in this sector more actively in the future. The capability is in place to respond efficiently and with readiness to any requests for consultancy work. Now that Andrea and Barry Coleman are members of the Schwab Foundation network for outstanding social entrepreneurs they find that their expertise and wealth of knowledge relating to transport for development is sought out in a variety of development circles.

#### Logistics

Riders' logistics provides indigenised, expert, technical support for management of vehicles. 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. Smaller versions of the TRM system are also operational in the satellite programmes of Kenya (in partnership with Aid Village Clinics) and Tanzania.

An encouraging trend in all three national logistics operations is that new customers are joining the programmes and Riders continues to become still more widely known and accepted as an expert in the field of transport for development. Riders' specialised logistics system saves its partners large amounts of money as Riders has proved that vehicles run in a managed system last significantly longer than those that are unmanaged, and that consistently die in a matter of months.

Since the Gambian Ministry of Health made history in 2002 by becoming the first government to outsource entire management of health delivery vehicles, Riders' presence has steadily grown in that country. Riders' TRM system 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 and there are plans to gradually ensure that new vehicles replace the aging ones in the system.

**Activities** (continued)

Logistics (continued)

Riders Zimbabwe continues to be our fastest growing programme and we now manage over 600 motorcycles across the country. The Ministry of Health and Child Welfare (MoHCW) have a good working relationship with Riders for Health. Large fleets of vehicles are efficiently managed in difficult conditions resulting in improved health statistics. This year a new partnership has been formed with Enduro Africa, an events rally company in the UK, which will run a large event to donate 100 motorcycles per year, plus running costs, to the Zimbabwe programme for at least the following two years (2006-2007).

Riders Nigeria is successfully managing the workshops of the new UN agencies complex in Abuja and the associated vehicles. Although the six-year contract with the World Health Organisation (WHO) for the management of their fleet of polio eradication vehicles is set to end in 2006, plans for Riders Nigeria's future look positive. The management team are planning to introduce motorcycles to the Nigeria programme, thus aligning it with its two sister programmes. This is expected to add strength to the Riders model and present a new clarity to the messages we convey.

The growth in Riders Logistics activities is demonstrated by the following statistics on the number of vehicles managed at 31 December 2005.

	<b>2005 No of vehicles</b>	2004 No of vehicles
Zimbabwe	<b>630</b>	494
Nigeria	<b>400</b>	139
The Gambia	<b>205</b>	330
<b>Total</b>	<b>1235</b>	963

Training

Riders for Health are internationally recognised as experts in transport for development and, at the International Academy of Vehicle Management (IAVM) in Harare, Zimbabwe, that knowledge is transferred to all appropriate candidates throughout the developing world. The IAVM continues to thrive in its third full year of running and attracts delegates from a wide range of NGOs.

The services available range from short courses in Riders' specialised driving, maintenance and system management techniques, to full consultancy programmes aimed at organisations that want to replicate Riders' successes from their fifteen years experience in the field.

### **Activities** (continued)

#### Training (continued)

The principles behind the school's work are twofold. Firstly, wherever TRM is implemented, Riders insists nationals of the countries involved manage the programme. Secondly, Riders always encourages a process of onward training once delegates return to their programmes, whether they be for governments, aid agencies, NGOs, private companies, or individual communities. In these ways we ensure that historical mistakes are not repeated and that the lesson of managing transport is learnt by all those whom it should benefit.

### **Review of the year and future developments**

#### Impact of the work

Riders' innovative work is well established and proves to have a massive impact on health and a huge potential for growth across the continent of Africa. Riders is enabling 900 African health workers to reach 10.8 million people across Africa. Now these people receive regular health care. Riders employs more than 200 African staff across the three current programmes. Evaluations show that the Riders contribution of mobility to health delivery has significant impact on key health indicators. For example, decreases in deaths from malaria, women in childbirth and diarrhoeal disease; improvements in infant mortality and increases in immunisation coverage and other public health services.

#### Raising the profile

By the end of 2004 it was clear that the nation-wide systems set up by Riders in Zimbabwe, Nigeria and the Gambia were sustainable, self-managing and delivering extremely important benefits in the field of public health. The issue during 2005 was to find ways to draw these successful programmes to the attention of a much wider audience and to encourage significant investment to scale up Riders operations.

Riders' UK office carries out a strong and effective advocacy programme to engender vital global awareness for the need for transport in development. Riders' field programmes constantly look for new customers to increase their scale.

In 2005 Riders reached three milestones in advocacy. First came the inclusion of Riders' submission in the Africa Commission Report which acknowledged Riders' expertise in transport management and its impact on public health noting that: 'health systems need an integrated fleet of vehicles (e.g. motorcycles; trucks; side-car ambulances) and proper maintenance training for health workers. Where such programmes have been implemented mortality rates and mobility costs have dropped.' Following this Riders was awarded the 2005 Global Council Award for best practices in international development. And, later in the year, Riders was heavily featured in a USA national campaign to raise awareness of global health issues. This included the work of Riders Gambia being filmed and documented in a prestigious series created by WGBH, aired in November 2005. Finally, Riders CEOs Andrea and Barry Coleman were featured in the special global health edition of TIME magazine which explored the issues discussed at the TIME Global Health Summit, and described the work of Andrea and Barry Coleman as two of its 'heroes of global health'. The article charts the growth of Riders and emphasises the need for appropriate, managed transport for development.

### **Review of the year and future developments** (continued)

#### Fundraising

The international motorcycling community has continued to support Riders for Health throughout the year, with new initiatives being persistently planned and activated. Riders' key event – Day of Champions held at Donington Park in the run-up to the British round of MotoGP – raised a record sum of £172,000. Other events-related work continues to be 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. This has kept us stable but to expand we need further injections of external funding, therefore 2005 has been the start of the process to secure some such development funding.

#### The Future

Motorised transportation should be quickly added to the modes of transport now available in Africa – foot, hand cart, scotch or ox cart and bicycle. Unless this move is seen as appropriate and relevant development cannot take place. Maintenance and management at grass roots level is a crucial component of development. If Riders does not expand and develop then Africa is deprived of a vital knowledge, infrastructure and means of development that is tried, tested and ready for expansion.

Innovation and an entrepreneurial approach has brought Riders to its current position and now the management and trustees of Riders for Health are confident that the organisation is ready to make radical changes to enable Riders to achieve its full potential. Over the next three years Riders will build on the success of the organisation, maintain its innovative approach and build new strengths and partnerships. In three years time Riders aims to:

- ◆ Build fundraising and management capacity in Riders UK;
- ◆ Double the number of vehicles it manages in Africa;
- ◆ Establish one further country programme;
- ◆ Lay the groundwork for a fifth country programme;
- ◆ Secure more partners for 'delivering the goods';
- ◆ Further embed the motorised vehicle management system into the African development thinking and practice so that the model is the preferred option for health service transport; and
- ◆ Examine and cost additional products for mobility for health.

During the following year Riders expects to receive an increase in funding from external sources including:

- ◆ Award from the Skoll Foundation of US\$675,000 over three years;
- ◆ More regular monthly donations, due to increased profile in the UK and abroad;

### **Review of the year and future developments** (continued)

The Future (continued)

- ◆ More corporate donations within the motorcycling community, from MCN and from E-bike insurance among others;
- ◆ Start-up of fundraising at motorcycling events across the US;
- ◆ Motorcycle Rally event -- Enduro Africa -- taking place in November 2006 to raise a minimum donation of 100 motorcycles for the Zimbabwe programme and £50,000 in running costs; and
- ◆ BBC Lifeline Appeal being held in December 2006.

Some of this increased income will be used to recruit a Chief Operating Officer in the UK office, to strengthen capacity in the UK and facilitate the CEOs to further develop the organisation.

### **Financial report for the year**

The Charity's accounting reference date was changed from 31 March to 31 December during 2004 which means that the prior year figures in the accounts are for 9 months, compared to 12 months for the current year. Therefore the prior year figures have been adjusted on a pro rata basis to facilitate a more accurate comparison.

#### *Analysis of income*

The statement of financial activities shows that overall income increased by 6% to £3.52m, and net income after costs of generating funds increased by 9%. Of particular note is an 12% increase in income in furtherance of the charity objectives, which relates primarily to an increase in income in the Zimbabwe programme, as measured in sterling.

Other incoming resources have increased by 42%, mainly due to the sale of fuel and replacement parts, the growth in sale of other goods and training. There was no income from consultancy during the period.

The majority of the events income derives from the excellent links Riders has with the Moto GP community, with the centrepiece of this the Day of Champions event held at Donington Park, Leicestershire which raised £172k.

#### *Analysis of costs*

Overall expenditure rose from £2.23m to £3.78m. The major contributor to this was the impact of the changes in the Zimbabwean economy. The official exchange rate is significantly lower than the free market exchange rate as the currency is non convertible. The result of this is that costs in Zimbabwean Dollars are substantially higher, due to hyperinflation, and when converted back to sterling at the official exchange rate appear significantly higher as measured in sterling. In addition to this exchange rate losses of £288k were recorded in the Statement of Financial Activity to reflect the revised value of the funds still held in Zimbabwean Dollars at the year end. There were also additional costs within the Nigeria programme as a result of transferring one of the workshops from Lagos to Abuja and opening a new workshop within Enugu.

**Financial report for the year** (continued)

*Analysis of costs* (continued)

Support costs fell by 6% to £183k due to staff vacancies and Management and Administration costs by 13% for the same reason.

*Overall Financial Position*

The consolidated accounts show a loss overall of £251k. Factoring out the exchange rate loss (which is an external risk as a result of operating in a hyperinflationary environment, as noted above) the results show a surplus of £37k.

Overall reserves fell to £850k, of which 84% are general reserves and 16% are restricted. Of the general reserves £242k are free reserves that equate to 1 months expenditure.

The balance sheet shows that stock levels and debtors have decreased by 49%. This is due to the reduction in size of the Nigeria programme as the WHO contract nears completion and the move of the Nigeria office from Lagos to Abuja. Creditors have fallen correspondingly by 26%.

The organisation will endeavour to, and focus on, during 2006 and beyond on strengthening the financial position of the organisation both within the UK and the field operations.

**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.

**Reserves policy and financial position** (continued)

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 £944k. As at 31 December 2005, the accounts show that the general reserves stood at £242k. This equals approximately 1 month of expenditure. Consequently a goal of the future business plan is to increase the level of reserves to strengthen Riders financial position and provide a firm platform for future growth.

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

- ◆ To increase fundraising income in both the UK and the USA;
- ◆ 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 reduce the exchange rate risks by incurring expenditure in the same currency as income is received where possible;
- ◆ To ensure that accurate budgets are set and monitored and costs are well controlled in all areas of the organisation.

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 regular agenda item at 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 2005 and served throughout the year unless otherwise specified:

<b>Trustees</b>	<b>Appointed / Resigned</b>
A Kamba (President)	
M McCulloch (Chairman)	
C Aksland	
L Davies	
R Horsley	
K Huewen	
D Lavelle	
S Macdonald	
S Male	
B Margetts	
R Miller	Appointed 7 September 2005
F Minoli	
S Parrish	
N Pitts-Tucker	
P Richards	Resigned 12 October 2005
J Ryan MP	
J Wickes	Resigned 15 September 2005

No trustee received any remuneration for services as a trustee. During the year, no out-of-pocket travelling expenses were reimbursed to trustees (9 month period ended 31 December 2004 - £605 was reimbursed to one trustee). No trustee had any beneficial interest in any contract with the charity during the year.

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 year. 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.

The trustees' are responsible for the maintenance and integrity of the charity website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

### **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:

Trustee

Approved by the board on:

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

We have audited the accounts which comprise the Statement of Financial Activity, the Balance Sheet, the principal accounting policies and the related notes numbered 1 to 26. The accounts have been prepared under the historical cost convention and the accounting policies set out therein.

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 15 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, United Kingdom Accounting Standards and the Charities Statement of Recommended Practice (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 International Standards on Auditing (UK and Ireland) 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.

**Opinion**

In our opinion the accounts:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the charitable company's state of affairs as at 31 December 2005 and of its incoming resources and application of resources, including its income and expenditure, in the year 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

## Statement of financial activities Year ended 31 December 2005

	Notes	Unrestricted funds £	Restricted funds £	Year ended 31 December 2005 Total funds £	9 months ended 31 December 2004 Total funds £
<b>Income and expenditure</b>					
<b>Incoming resources</b>					
Activities in furtherance of the charity's objects	1	2,308,664	67,451	<b>2,376,115</b>	1,589,139
Events and similar activities	2	362,703	—	<b>362,703</b>	398,036
Donations	3	430,761	40,362	<b>471,123</b>	247,710
Grants receivable	4	7,980	30,924	<b>38,904</b>	98,710
Interest receivable	5	15,587	—	<b>15,587</b>	13,607
Other incoming resources	6	259,702	—	<b>259,702</b>	136,957
<b>Total incoming resources</b>		<b>3,385,397</b>	<b>138,737</b>	<b>3,524,134</b>	<b>2,484,159</b>
<b>Cost of generating funds</b>	7	<b>283,102</b>	<b>—</b>	<b>283,102</b>	<b>287,888</b>
<b>Net incoming resources available for charitable application</b>		<b>3,102,295</b>	<b>138,737</b>	<b>3,241,032</b>	<b>2,196,271</b>
<b>Charitable expenditure</b>					
Cost of activities in furtherance of the charity's objectives	8	3,058,619	207,742	<b>3,266,361</b>	1,798,633
Support costs	9	182,813	—	<b>182,813</b>	146,304
Management and administration of the charity	10	42,912	—	<b>42,912</b>	36,848
<b>Total charitable expenditure</b>		<b>3,284,344</b>	<b>207,742</b>	<b>3,492,086</b>	<b>1,981,785</b>
<b>Total resources expended</b>		<b>3,567,446</b>	<b>207,742</b>	<b>3,775,188</b>	<b>2,269,673</b>
<b>Net movement in funds</b>	11, 26	<b>(182,049)</b>	<b>(69,005)</b>	<b>(251,054)</b>	<b>214,486</b>
<b>Funds brought forward at 1 January 2005</b>		<b>897,389</b>	<b>203,791</b>	<b>1,101,180</b>	<b>886,694</b>
<b>Funds carried forward at 31 December 2005</b>		<b>715,340</b>	<b>134,786</b>	<b>850,126</b>	<b>1,101,180</b>

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 2005

	Notes	31 December		31 December	
		2005 £	2005 £	2004 £	2004 £
<b>Fixed assets</b>					
Tangible assets	14		<b>574,142</b>		492,026
Investments	15		<b>1</b>		1
			<b>574,143</b>		<b>492,027</b>
<b>Current assets</b>					
Stock		<b>47,418</b>		92,438	
Debtors	16	<b>300,974</b>		593,920	
Cash at bank and in hand		<b>307,968</b>		403,477	
		<b>656,360</b>		1,089,835	
<b>Creditors:</b> amounts falling due within one year	17	<b>308,096</b>		416,429	
<b>Net current assets</b>			<b>348,264</b>		673,406
<b>Total assets less current liabilities</b>			<b>922,407</b>		1,165,433
<b>Creditors:</b> amounts falling due After one year	18		<b>72,281</b>		64,253
<b>Total net assets</b>	23		<b>850,126</b>		<b>1,101,180</b>
<b>Represented by:</b>					
<b>Charitable funds</b>					
Restricted funds	21		<b>134,786</b>		203,791
Unrestricted funds					
. Designated funds	22	<b>472,854</b>		472,977	
. General funds/reserves		<b>242,486</b>		424,412	
			<b>715,340</b>		897,389
<b>Total funds</b>			<b>850,126</b>		<b>1,101,180</b>

Approved by the trustees  
and signed on their behalf by:

Trustee

Trustee

Approved on:

**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. 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. The official rate of exchange is an auction rate which reflects the Zimbabwean hyperinflation and exchange controls.

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.

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

	Unrestricted funds £	Restricted funds £	Year ended 31 December 2005 Total funds £	9 months ended 31 December 2004 Total funds £
<b>Logistics</b>				
Zimbabwe – Ministry of Health and other organisations	1,141,998	31,941	<b>1,173,939</b>	620,636
Nigeria – World Health Organization and other organisations	738,059	—	<b>738,059</b>	604,858
Gambia – Department of State for Health and Social Welfare	428,607	35,510	<b>464,117</b>	363,645
	<u>2,308,664</u>	<u>67,451</u>	<b><u>2,376,115</u></b>	<u>1,589,139</u>

**2 Incoming resources from events and similar activities**

	Unrestricted funds £	Restricted funds £	Year ended 31 December 2005 Total funds £	9 months ended 31 December 2004 Total funds £
Events and similar activities	362,703	—	<b>362,703</b>	398,036

**3 Donations**

	Unrestricted funds £	Restricted funds £	Year ended 31 December 2005 Total funds £	9 months ended 31 December 2004 Total funds £
Individuals	384,085	—	<b>384,085</b>	117,656
Corporations	40,610	11,362	<b>51,972</b>	124,574
Goods/services	6,066	29,000	<b>35,066</b>	5,480
	<u>430,761</u>	<u>40,362</u>	<b><u>471,123</u></b>	<u>247,710</u>

**4 Grants receivable**

	Unrestricted funds £	Restricted funds £	Year ended 31 December 2005 Total funds £	9 months ended 31 December 2004 Total funds £
National Lottery Charities Board	—	—	—	25,957
Friends of Masasi	—	—	—	6,580
The Nuffield Foundation	—	10,904	<b>10,904</b>	14,367
Souter Charitable Trust	380	3,420	<b>3,800</b>	2,500
Zurich Cares	—	—	—	4,354
Other grants	7,600	16,600	<b>24,200</b>	44,952
	<b>7,980</b>	<b>30,924</b>	<b>38,904</b>	<b>98,710</b>

**5 Interest receivable**

	Unrestricted funds £	Restricted funds £	Year ended 31 December 2005 Total funds £	9 months ended 31 December 2004 Total funds £
Interest on UK accounts	1,595	—	<b>1,595</b>	3,737
Interest on Zimbabwe accounts	9,748	—	<b>9,748</b>	6,301
Interest on other accounts	4,244	—	<b>4,244</b>	3,569
	<b>15,587</b>	<b>—</b>	<b>15,587</b>	<b>13,607</b>

**6 Other incoming resources**

	Unrestricted funds £	Restricted funds £	Year ended 31 December 2005 Total funds £	9 months ended 31 December 2004 Total funds £
Training and vehicle servicing	164,957	—	<b>164,957</b>	110,032
Sale of fuel and vehicle replacement parts	14,680	—	<b>14,680</b>	—
Rental income	7,680	—	<b>7,680</b>	5,760
Insurance claims and subsidies	2,305	—	<b>2,305</b>	1,222
Sale of merchandise	37,519	—	<b>37,519</b>	11,870
Miscellaneous	32,561	—	<b>32,561</b>	8,073
	<b>259,702</b>	<b>—</b>	<b>259,702</b>	<b>136,957</b>

**7 Cost of generating funds**

	Unrestricted funds £	Restricted funds £	Year ended 31 December 2005 Total funds £	9 months ended 31 December 2004 Total funds £
<b>Fundraising and publicity</b>				
Direct event costs	148,486	—	<b>148,486</b>	152,147
Staff costs and recruitment	84,557	—	<b>84,557</b>	70,618
Travel and accommodation	15,080	—	<b>15,080</b>	22,311
Depreciation	8,062	—	<b>8,062</b>	7,553
Office overheads	26,917	—	<b>26,917</b>	35,259
	<b>283,102</b>	<b>—</b>	<b>283,102</b>	<b>287,888</b>

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 £	Year ended 31 December 2005 Total funds £	9 months ended 31 December 2004 Total funds £
Logistics and other project costs	1,326,768	102,552	<b>1,429,320</b>	796,141
Repayment of vehicle replacement fund	—	76,991	<b>76,991</b>	—
Advocacy and education	44,442	—	<b>44,442</b>	38,607
Staff costs and recruitment	882,478	—	<b>882,478</b>	538,933
Travel and accommodation	25,490	—	<b>25,490</b>	38,285
Training and recruitment	8,869	—	<b>8,869</b>	2,548
Depreciation	75,980	11,662	<b>87,642</b>	56,381
General vehicle maintenance	42,617	—	<b>42,617</b>	24,457
Workshop and office overheads	380,516	—	<b>380,516</b>	219,868
Exchange rate losses	271,459	16,537	<b>287,996</b>	83,413
	<b>3,058,619</b>	<b>207,742</b>	<b>3,266,361</b>	<b>1,798,633</b>

The exchange rate losses arise mainly as a result of operating in countries with non-convertible currencies. £1,126,590 represents the cost of operations in Zimbabwe at an exchange rate of ZWD 16,667 to GBP 1.

**9 Support costs**

	Unrestricted funds £	Restricted funds £	Year ended 31 December 2005 Total funds £	9 months ended 31 December 2004 Total funds £
Staff costs and recruitment	150,299	—	<b>150,299</b>	120,437
Travel and accommodation	1,369	—	<b>1,369</b>	1,167
Depreciation	5,572	—	<b>5,572</b>	4,334
Other office overheads	25,573	—	<b>25,573</b>	20,366
	<b>182,813</b>	<b>—</b>	<b>182,813</b>	<b>146,304</b>

**10 Management and administration of the charity**

	Unrestricted funds £	Restricted funds £	Year ended 31 December 2005 Total funds £	9 months ended 31 December 2004 Total funds £
Legal, professional and accounting fees	36,728	—	<b>36,728</b>	35,224
Other governance costs	6,184	—	<b>6,184</b>	1,624
	<b>42,912</b>	<b>—</b>	<b>42,912</b>	<b>36,848</b>

**11 Net movement in funds**

This is stated after charging:

	Year ended 31 December 2005 £	9 months ended 31 December 2004 £
Staff costs (note 12)	<b>1,117,334</b>	729,988
Depreciation	<b>99,900</b>	67,647
Auditors' remuneration		
. Audit – overall charity and UK branch	<b>27,350</b>	24,850
. Audit – branches	<b>18,764</b>	27,231
Operating lease charges	<b>132,018</b>	28,650

An analysis of the currency in which the net movement in funds is generated is shown in note 26.

**12 Staff costs**

	<b>Year ended 31 December 2005 £</b>	9 months ended 31 December 2004 £
Wages and salaries	<b>985,061</b>	642,903
Employer's national insurance	<b>45,141</b>	33,882
Pension costs	<b>33,371</b>	20,362
Recruitment and training	<b>53,761</b>	32,841
	<b>1,117,334</b>	729,988

Staff costs per function were as follows:

	<b>Year ended 31 December 2005 £</b>	9 months ended 31 December 2004 £
Cost of generating funds	<b>84,557</b>	70,618
Cost of activities in furtherance of the charity's objectives	<b>882,478</b>	538,933
Support costs	<b>150,299</b>	120,437
	<b>1,117,334</b>	729,988

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

	<b>Year ended 31 December 2005 No.</b>	9 months ended 31 December 2004 No.
Cost of generating funds	<b>3</b>	3
Cost of activities in furtherance of the charity's objectives	<b>241</b>	222
Support costs	<b>6</b>	5
	<b>250</b>	230

Two employees earned £50,000 per annum or more (excluding pension contributions and including benefits) during the year (9 month period ended 31 December 2004 – two).

Employer contributions totalling £10,604 were made to a defined contributions pension scheme for the year in respect of employees who earned £50,000 or more (9 month period ended 31 December 2004 – £7,200).

No trustee received any remuneration in respect of their services as a trustee during the year (9 month period ended 31 December 2004 – £nil).

During the year, no out-of-pocket expenses were reimbursed to trustees (9 month period ended 31 December 2004 – £605 was 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 £
<b>Cost</b>				
At 1 January 2005	226,497	208,137	348,357	<b>782,991</b>
Additions	29,616	137,635	16,624	<b>183,875</b>
Disposals	—	(4,686)	(1,228)	<b>(5,914)</b>
At 31 December 2005	<b>256,113</b>	<b>341,086</b>	<b>363,753</b>	<b>960,952</b>
<b>Depreciation</b>				
At 1 January 2005	13,682	96,120	181,163	<b>290,965</b>
Charge for year	4,886	46,682	48,332	<b>99,900</b>
Disposals	—	(3,574)	(481)	<b>(4,055)</b>
At 31 December 2005	<b>18,568</b>	<b>139,228</b>	<b>229,014</b>	<b>386,810</b>
<b>Net book values</b>				
At 31 December 2005	<b>237,545</b>	<b>201,858</b>	<b>134,739</b>	<b>574,142</b>
At 31 December 2004	<b>212,815</b>	<b>112,017</b>	<b>167,194</b>	<b>492,026</b>

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

	2005 £	2004 £
Freehold interest	<b>82,210</b>	84,069
Long term leasehold	<b>97,560</b>	69,512
Short term leasehold	<b>57,775</b>	59,234
	<b>237,545</b>	212,815

**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 year was as follows:

	2005 £	2004 £
<b>Motor vehicles</b>		
Net book value	1,379	6,895
Depreciation charge	5,517	4,138
<b>Fixtures and equipment</b>		
Net book value	6,525	2,236
Depreciation charge	3,815	1,342

**15 Investments**

	2005 £	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 year under review.

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

**16 Debtors**

	2005 £	2004 £
Trade debtors	243,369	442,332
Prepayments	35,533	96,837
Other debtors	22,072	54,751
	<b>300,974</b>	<b>593,920</b>

**17 Creditors: amounts falling due within one year**

	2005 £	2004 £
Bank loan	3,908	4,489
Trade creditors	136,609	81,792
Other taxation and social security	18,686	16,256
WHO – Nigeria vehicle replacement fund (see note 19)	—	12,721
Other creditors	17,611	12,379
Accruals	122,115	102,195
Deferred income	6,868	185,276
Obligation under finance leases (secured)	2,299	1,321
	<b>308,096</b>	<b>416,429</b>

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**

	2005 £	2004 £
Obligation under finance leases (secured) (see note 17)	2,491	—
Bank loan (see note 17)		
. Within one to two years	4,033	3,793
. Within two to five years	13,715	12,898
. After five years	38,456	43,265
Zimbabwe Ministry of Health – vehicle replacement fund	9,059	—
Other loans		
. Holland	1,994	2,052
. Nigeria	2,533	2,245
	<b>72,281</b>	<b>64,253</b>

### 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 was completed during the year as follows:

	At 1 January 2005 £	Repayment to WHO £	At 31 December 2005 £
Nigeria vehicle replacement fund (note 17)	12,721	(12,721)	—

### 20 Lease commitments

Future annual rental commitments under operating leases are:

	Land and buildings	
	2005 £	2004 £
Leases which expire:		
. In one year	9,743	10,142
. In two to five years	41,587	15,835
. After five years	256,484	273,846

### 21 Restricted funds

	At 1 January 2005 £	Incoming resources £	Expendi- ture and transfers £	Exchange gain (loss) £	At 31 December 2005 £
IAVM fund	8,356	—	(8,356)	—	—
Vehicle replacement fund – Zimbabwe	68,979	31,941	(76,991)	(23,929)	—
Uhuru Rotary	1,657	11,362	(6,510)	—	6,509
Nuffield Foundation	12,000	10,904	(14,528)	—	8,376
Friends of Masasi	17,663	—	(466)	—	17,197
Vehicle replacement fund – Gambia	51,487	35,510	(53,126)	7,392	41,263
Honda donation	19,049	29,000	(11,662)	—	36,387
Souter Charitable Trust	—	3,420	(3,420)	—	—
Other	24,600	16,600	(16,146)	—	25,054
	203,791	138,737	(191,205)	(16,537)	134,786

**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 50 motorbikes to be used by healthcare professionals in Zimbabwe and managed under the Riders for Health logistics system.
- ◆ The Souter Charitable Trust funds comprise income to be used towards motorbike running costs in Zimbabwe.
- ◆ The other funds include several grants received for community transport in Zimbabwe where the donors have requested anonymity.

**22 Designated funds**

	At 1 January 2005 £	New designations £	Utilised/ released £	<b>At 31 December 2005 £</b>
Fixed asset fund	472,977	—	(123)	<b>472,854</b>

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**

	Restricted funds £	Unrestricted funds		Total 2005 £
		Designated funds £	General funds £	
<b>Fund balances at 31 December 2005 are represented by:</b>				
Tangible fixed assets	36,387	537,755	—	<b>574,142</b>
Investments	—	—	1	<b>1</b>
Net current assets	98,399	(6,207)	256,072	<b>348,264</b>
Creditors: amounts falling due after more than one year	—	(58,694)	(13,587)	<b>(72,281)</b>
<b>Total net assets</b>	<b>134,786</b>	<b>472,854</b>	<b>242,486</b>	<b>850,126</b>

**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 year totalled £1,190 (9 month period ended 31 December 2004 - £938) and provides cover of up to a maximum of £0.5 million (9 month period ended 31 December 2004 - £0.5 million).

**25 Pension costs**

During the year the charity operated one defined contribution pension scheme 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 £25,497 (9 month period ended 31 December 2004 - £16,315).

Unpaid pension contributions at 31 December 2005 total £1,213 (9 month period ended 31 December 2004 - £1,172).

## 26 Foreign exchange exposure

At 31 December 2005 the net assets of the charity were denominated in local currencies as follows:

Local currency	UK£	US\$	* Zim\$	Gambia	Nigeria	Euro	Total
Exchange rate at 31 December 2005	1.00	1.720	141,643	48.52	221.09	1.453	
Fixed assets	100,733	—	218,149	178,862	72,914	3,485	<b>574,143</b>
Current assets	115,652	147,540	53,803	199,104	106,175	34,086	<b>656,360</b>
Current liabilities	(100,630)	—	(32,365)	(22,966)	(149,011)	(3,124)	<b>(308,096)</b>
Net current assets	15,022	147,540	21,438	176,138	(42,836)	30,962	<b>348,264</b>
Creditors over 1 year	(58,695)	—	(9,059)	—	(2,533)	(1,994)	<b>(72,281)</b>
<b>Total net assets at 31 December 2005</b>	<b>57,060</b>	<b>147,540</b>	<b>230,528</b>	<b>355,000</b>	<b>27,545</b>	<b>32,453</b>	<b>850,126</b>
Net assets at 31 December 2005 restated at 30 June 2006 exchange rates	57,060	139,741	178,797	354,343	27,320	32,588	<b>787,849</b>
Exchange rate at 30 June 2006	1.00	1.816	182,624	48.61	222.91	1.447	
Exchange rate at 1 January 2005	1.00	1.926	10,885	56.14	249.43	1.411	

The net movement in funds for the year is generated in local currencies as follows:

Net movement in funds							
Increase/(decrease)	383,335	293,916	(317,540)	9,331	(683,965)	63,869	<b>(251,054)</b>

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.