



**500 miles**  
**(Charitable Association)**

**ANNUAL REPORT  
AND  
FINANCIAL STATEMENTS**

**31 December 2020**

# 500 miles (Charitable Association)



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## **TRUSTEES' REPORT**

The trustees are pleased to present their annual report together with the financial statements for the year ended 31 December 2020.

The reference and administrative information set out on page 15 forms part of this report. The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

## **TRUSTEES**

The trustees who have served during the period since the last trustees' report are Olivia Giles, Robin Garrett, Susan Dalgety, Jane Salmonson and Susan Davie.

## **OBJECTIVES AND ACTIVITIES**

The objects of the charity are:

"to support Disabled People in deprived areas of the world by creating, establishing, managing, running, donating to or otherwise supporting projects which the Charity may from time to time consider will further the interests of Disabled People, under declaration that the Charity will have a particular focus on furthering the interests of Amputees including the provision of prosthetic services and/or components and/or devices to them; where "Disabled People" means people who suffer from any form of disability, and "Amputees" means persons who have full or partial absence of a limb or limbs, whether congenitally or due to disease or trauma."

During the accounting period these objectives to further the charity's purposes for the public benefit have been fulfilled through the following activities, all of which have been significantly affected by Coronavirus and consequent restrictions.

1. Ongoing management, operation and funding of the 500 miles Prosthetic and Orthotic Centre at Kamuzu Central Hospital ("KCH") in Lilongwe, Malawi ("**the 500 miles KCH P&O Centre**"). This orthopaedic workshop, built and established by 500 miles in 2008, prescribes, manufactures and fits prostheses and orthoses and aims to serve the whole of central region of Malawi.
2. Ongoing management, operation and funding of the 500 miles Prosthetic and Orthotic Centre at Mzuzu Central Hospital ("MCH") in Mzuzu, Malawi ("**the 500 miles MCH P&O Centre**"). This orthopaedic workshop, built and established by 500 miles in 2012, prescribes, manufactures and fits prostheses and orthoses and aims to serve the whole of northern region of Malawi.
3. Working in conjunction with University Teaching Hospital in Lusaka, Zambia ("UTH") to provide access to prosthetic and orthotic ("P&O") devices for poor people (1) attending UTH or (2) referred to it by (a) the charity, (b) the charity through St Francis Hospital in Katete (St Francis Hospital), (c) Beit CURE Hospital in Lusaka and (d) Chitokoloki Mission Hospital in Chitokoloki (Chitokoloki Mission Hospital).
4. The support and funding of the delivery of low level P&O services to poor people attending St Francis Hospital by directly funding an individual seconded there by 500 miles to provide this service and to arrange and facilitate referrals from St Francis Hospital to UTH.
5. Planning and payment for the training of Malawians and Zambians in prosthetics and orthotics, at The Cambodian School of Prosthetics and Orthotics ("CSPO") and Mobility India, with a view to their deployment in 500 miles' projects, including payment of fees, living allowances and travel costs.
6. Support of third party fundraising for the charity.



## ACHIEVEMENTS AND IMPACT

### **Malawi**

Despite the impact of Coronavirus, 500 miles continued to manage, operate and fund both the 500 miles KCH P&O Centre and the 500 miles MCH P&O Centre. The charity funds all costs of production of all P&O devices supplied which are not met by the Ministry of Health of Malawi ("MoH Malawi") or by income to the centres from third party sources.

Externally derived income generated in Malawi was £13,944. It was £16,449 in 2019. The drop in income externally derived during 2020 was mainly as a result of a reduction in demand for and production of P&O devices due to Coronavirus. Relative to production, the figure achieved by way of income in 2020 represents a sustained level of income and an increase in both the number of devices for which a contribution was received and the average amount of income per device.

Following a full independent review in 2018 of quality control and the training needs of its personnel at the 500 miles KCH P&O Centre and the 500 miles MCH P&O Centre, the charity appointed a quality improvement consultant ("QIC") to create and implement a quality management system ("QMS") at the two centres during 2019 and 2020. Johnson & Johnson covered 75% of the costs of the programme in 2019 as a result of which the QMS manual was substantially created and implemented at both centres. 500 miles secured a further grant from Johnson & Johnson to cover 64% of the costs of completing the project during 2020 but the QIC was unable to deliver the programme due to Coronavirus. Johnson & Johnson have agreed to postpone the end date for the project until 30<sup>th</sup> June 2022. At the 500 miles KCH P&O Centre, the practice and audit of the QMS has lapsed during 2020, mainly due to the restrictions imposed as a result of the virus putting pressure on the reduced staff's capacity, but at the 500 miles MCH P&O Centre, due to less patient demand and stronger leadership, the QMS has been refined and fully implemented and audited, thus improving and sustaining the quality of the charity's service at this centre and, because its processes and procedures which ensure quality of service have been systematised, making this centre ready for handover.

The charging policy at both the 500 miles KCH P&O Centre and the 500 miles MCH P&O Centre requires those who can pay to contribute as much as they can afford towards the cost of devices. As above, this has begun to result in a greater number of patients contributing to the cost of their devices and an increased income per device at both centres. This has been particularly so at the 500 miles MCH P&O Centre, thus strengthening its self-sustainability, which is another factor in making it more ready for handover.

### **At the 500 miles KCH P&O Centre**

Capacity and production rate reduced, mainly due to reduced patient demand as a direct result of Coronavirus and of no outreach taking place for the majority of the year, but also partly due to a two-month delay in the arrival of our annual stock at the beginning of the year and running out of stock towards the end of the year. Production was already reduced in 2019 as a result of the interruption caused by the quality improvement initiative and the refurbishment of this centre, so the more relevant comparison is with the 2017 and 2018 figures. The total number of patients treated was 1,212 compared with 1,412 in 2019, 1,665 in 2018 and 1,452 in 2017. 959 new P&O devices were delivered in 2020, compared with 874 in 2019, 1,294 in 2018 and 1,104 in 2017, which represents an average of 79.9 new devices a month compared with an average of 72.8 in 2019, 107.8 in 2018 and 92 in 2017. KCH P&O Centre had 6,738 registered patients as at the end of 2020, up 529 from 6,209 at the end of 2019.

In all of the circumstances which prevailed for most of the year, and especially when the majority of the charity's referring partners were not operating, outreach was not permitted and unnecessary travel was discouraged, these statistics show that this centre kept operating at close to its usual level and that the demand for the service in central region is very high.

500 miles funded the vast majority of the costs of these 959 new devices which were supplied to individuals who were unable to pay for themselves. The charity used the One Smile fund and reserves to meet these costs.



### **ACHIEVEMENTS AND IMPACT (continued)**

The charity's outreach programme with partners was severely interrupted by Coronavirus but in the early part of the year, before all outreach was cancelled, we managed to attend 9 outreaches with 5 of our regular outreach partners and from October to December the charity participated in a heavy multidisciplinary outreach programme with three of our principal partners, visiting 6 sites in central region.

It has been agreed that when 500 miles hands over this centre to the Malawi government, it will be under a memorandum of understanding with KCH, rather than MoH Malawi, and that when the rehabilitation section of a new specialist orthopaedic hospital (the LION Project) is developed as part of KCH, 500 miles will move there. Although the building programme has been delayed by Coronavirus, the LION Project is continuing. There has been little opportunity during the year for the 500 miles KCH P&O Centre to further the integration and alignment of its service with KCH and MoH Malawi or for the charity to discuss and map out with KCH the route stages and timescale for the handover of this centre, but no ground has been lost in achieving these aims.

500 miles continued to fund a former technician at the 500 miles KCH P&O Centre to complete a three-year diploma with CSPO, and arranged for another technician from the same centre to begin a similar three-year diploma course with CSPO. The start of this course was delayed from March 2020 until January 2021 due to Coronavirus.

In anticipation of this second technician leaving to study in March, the charity recruited a replacement early in the year, but the charity retained both technicians.

The Malawian manager who started in March 2019 resigned with effect from July but he was successfully replaced by a former expatriate manager who already knew the job.

#### **At the 500 miles MCH P&O Centre**

Capacity and production rate also reduced at this centre, again mainly due to reduced patient demand as a direct result of Coronavirus. The effect was exacerbated at this centre because it depends heavily on the charity's own outreach programme to generate patient flow and no outreach could take place for the majority of the year. The two-month delay in the arrival of our annual stock at the start of the year also contributed. Again, production was already reduced in 2019 due to the interruption caused by the quality improvement initiative, so the more relevant comparison is with the 2017 and 2018 figures. The total number of patients treated was 422 compared with 628 in 2019, 659 in 2018 and 665 in 2017. 412 new P&O devices were delivered in 2020 compared with 719 in 2019, 827 in 2018 and 777 in 2017. This represents an average of 33.3 new devices a month compared with an average of 59.9 in 2019, 68.9 in 2018 and 64.7 in 2017. The 500 miles MCH P&O Centre had 2,562 registered patients as at the end of 2020, up 208 from 2,354 at the end of 2019.

Again, in all of the circumstances which prevailed for most of the year, and especially when the charity was unable to deliver its outreach programme which usually generates around half of this centre's patients, these statistics show that the 500 miles MCH P&O Centre kept operating at approximately half of its usual capacity and that the service is well established in northern region.

500 miles funded or part funded the vast majority of the costs of these 412 new devices which were supplied to individuals who were unable to pay for themselves. The charity used the One Smile fund and reserves to meet these costs.

The charity carried out two multi-disciplinary outreaches alongside a regular partner, one before and one after the Coronavirus restrictions, and one multi-disciplinary outreach in conjunction with five partners in November. In the last quarter of the year, for the first time, the 500 miles MCH P&O Centre was invited by MCH to participate in two multi-disciplinary outreaches to other districts and this activity looks likely to continue. A few ad hoc referrals were made from additional sources but most outreach activity with third parties was frustrated as was the opportunity to develop additional outreach partnerships and referral sources.



### **ACHIEVEMENTS AND IMPACT (continued)**

As part of 500 miles' own systematic sensitisation and outreach programme which is intended to educate as many key organisations and individuals in northern region as possible about the service and to reach as many people with disabilities as possible, the charity managed to conduct two outreaches (to 4 sites each and covering 4 large health centre clusters) in Mzimba North, one before the Coronavirus restrictions and one after. Although this was the first visit to some of these sites by 500 miles, the charity is known in the area and so the activity attracted a high volume of patients who are likely to attend the 500 miles MCH P&O Centre at some point.

The main achievement has been the crystallisation of the charity's long-term plan to hand over fiscal and administrative control of the 500 miles MCH P&O Centre to MCH/MoH Malawi. It is scheduled to take place on 1<sup>st</sup> July 2021. 500 miles considers that the handover on this timeframe is desirable and sustainable on account of a number of factors. (1) The installation of the QMS referred to above to secure and sustain the quality of the P&O service by systematizing it. (2) Since the 500 miles MCH P&O Centre opened in November 2012, the continued integration and alignment of its P&O service with MCH and its services with excellent high-level cooperation with MCH which has continued to pay invoices regularly and to take on increasing responsibility for costs. (3) As above, the charging policy introduced by 500 miles is beginning to be successfully implemented by the staff to generate in-country income. (4) Sufficient staff have been sponsored to attain international qualifications and the unqualified staff have been well trained on the job. (5) All of the staff bar one technician, have been absorbed on to the MoH payroll. (6) Most importantly, 500 miles has sponsored the training of a Malawian to degree level and since she qualified in June 2019, given her on the job management training so that she can manage the centre. The director of MCH declined the ongoing support of 500 miles after handover, and so a memorandum of understanding is not necessary.

**As a result of the charity's work in both the 500 miles KCH P&O Centre and the 500 miles MCH P&O Centre, people all over central and northern regions have a P&O service which they can access or can be assisted to access. In the period under review, despite the impact of Coronavirus, 1,634 patients received 1,371 devices.**

**The improved mobility and body function facilitated by the P&O devices produced vastly enhances quality of life by giving disabled people a chance of employment, education and social participation and inclusion.**

**The aim of 500 miles in Malawi is to create self-sufficient, sustainable P&O services that can be handed over to KCH and MCH - so as to secure the same quality of life benefits for future generations in Malawi. During the period under review, progress on the handover of the 500 miles KCH P&O Centre has paused due to the impact of Coronavirus, but the charity has put all of the major pieces in place to make a sustainable handover of the 500 miles MCH P&O Centre to MCH possible within a few months, thereby achieving a major part of its main long term aim in Malawi.**

### **Zambia**

500 miles continued to support a system whereby people who cannot afford to pay for their own P&O devices, but who would not normally be supported by the Zambian government, can access P&O services at UTH with sponsorship, from 500 miles. As part of that system, the charity continued to facilitate referrals of patients directly to UTH by Beit CURE with 500 miles sponsorship. Partly due to Coronavirus and the consequent restrictions, but also due to poor cooperation on paperwork from the staff at UTH, few patients were assisted during the year.

The charity continued to fund low-level P&O services (repairs, adjustments and fabrication of simple orthoses) at St Francis Hospital by supervising and paying the salary of a full-time representative of 500 miles, who is employed by St Francis Hospital on a casual basis. This representative is also encouraged to refer people direct to UTH for more complex P&O treatment.



### **ACHIEVEMENTS AND IMPACT (continued)**

The charity continued to fund 500 miles' original representative at St Francis Hospital to study at Mobility India for a three-year diploma.

UTH made and fitted devices for a total of only 14 patients (34 in 2019 and 55 in 2018) of which 5 were referred to it by Beit CURE, one by 500 miles' representative at St Francis Hospital, one by Chitokoloki Mission Hospital. 7 of the 14 were local patients referred by UTH.

500 miles' representative(s) at St Francis Hospital conducted 143 patient appointments (141 in 2019 and 161 in 2018), and fitted 81 devices to 56 local patients (69 local patients in 2019 and 65 in 2018). She also carried out repairs for 53 patients compared with 36 in 2019 and 21 in 2018. This pattern of activity is due to the service, which started in 2017, having become better known, with the first influx of patients having been treated but many of them returning for regular replacement of simple devices and repairs. As above, only one of the 14 referrals to UTH (one of 34 in 2019 and 37 of 55 in 2018) were directly through this representative so it is clear that this referral route has ceased to be functional notwithstanding that during the year under review, the charity's representative at St Francis Hospital identified 24 additional patients who could not afford to travel as needing P&O devices from UTH.

All referrals to UTH under the system referred to above depend on the cooperation of the staff at UTH who need to process paperwork. Although there were bursts of activity during the year, cooperation did not improve. At the end of the year, despite UTH reporting that it had run out of stock and that MoH Zambia did not intend to procure any, the charity received no response to a generous offer to UTH to purchase stock for it as the basis of an arrangement by which poor people could access a P&O service at UTH. There is now no prospect of the charity being able to continue to work with UTH without intervention from senior management at UTH and/or MoH Zambia.

**Without a sustainable plan rooted in the national health service, the charity's work in Zambia during the year under review has been purely humanitarian, but 70 Zambians, all on low or no incomes, have been fitted with prostheses and orthoses and 53 more have received repairs or adjustments to their devices, all leading to increased quality of life.**

Although 500 miles terminated relations with UTH at the beginning of 2021, the charity enjoys better cooperation from St Francis Hospital. The low-level P&O service that 500 miles has established there has been increasingly successful and there is a genuine prospect of being able to gradually build its capacity when the charity's student at Mobility India returns to Zambia in 2022.

### **Training**

500 miles continued to fund the training of Malawian and Zambian orthopaedic technologists at CSPO and at Mobility India. 20 students have been sponsored by 500 miles for 22 qualifications since the charity began. This activity has been ongoing since the charity started and remains a critical part of the charity's strategy to fulfil its core objectives.

**Training Africans to become prosthetists and orthotists to an international standard in this way not only provides the human resources required to deliver safe and effective P&O services through our projects, but it also represents an essential investment in these services at grass roots level to ensure their continuance for the benefit of future generations of people with disabilities.**

**Sponsoring training from 4 schools in 4 countries (Tanzania, Cambodia, India and Germany) over the years has widened the range of experience and practice being brought back into the Malawian and Zambian health services. In both the short and long term, training a local work force directly contributes to improvement in the quality of life and the prospects for people with disabilities in these countries.**



## Other Activities

Coronavirus frustrated the charity's plans for a large fundraiser involving a large gathering in 2021 and beyond but ideas for alternative fundraising have taken shape.

Substantial newsletters were issued in February and December with e-bulletins being issued between them.

500 miles is now on Facebook and the charity's website was made more secure and substantially updated.

The charity continues to collect regular donations to One Smile through standing order or similar. All regular donations are applied to One Smile and the total funds so raised were £14,541 (£15,461 in 2019, £16,007 in 2018 and £14,118 in 2017).

Limited third-party fundraising was supported and the charity was promoted at two public talks.

## **FINANCIAL REVIEW**

### **Results for the period**

During this accounting period, income remained low at £118,350 (2019, £100,263, 2018, £253,891 and 2017, £131,923). Due to Coronavirus, there were fewer donations, fewer fundraising opportunities and no significant fundraising activity by the charity itself.

Of the total income for 2020, donations totalling £58,699 were restricted in nature, the majority of these being split among the Quality Improvement Project (£19,782), One Smile (£19,896) and training (£16,521).

This is the tenth year of the charity's direct giving programme, One Smile, whereby donors are encouraged to donate small sums, annually or monthly, on the basis that this money is restricted to being used exclusively for prosthetic or orthotic service delivery to individuals under any of 500 miles' projects. A total of £14,541 was raised in this financial period (2019, £15,461, 2018, £16,007 and 2017, £14,118). (These are in addition to other one-off donations to One Smile.) The slight drop on previous years is due to regular gifts being reduced or cancelled due to the economic climate created by Coronavirus.

The amount of externally derived income raised from device sales (including the fixed contributions of KCH and MCH) through the two 500 miles P&O Centres in Malawi has reduced to £13,944 (2019, £16,449). Given the reduced production of P&O devices at the two centres due to Coronavirus, the income externally derived during 2020 represents a sustained level of local income and an increase in both the number of devices for which a contribution was received and the average amount of income per device.

Expenditure on charitable activities totalled £120,816 (2019, £231,286 and 2018, £250,160). This has been incurred principally in relation to:

- (1) the running costs of the 500 miles KCH P&O Centre in Malawi
- (2) the running costs of the 500 miles MCH P&O Centre in Malawi
- (3) arranging and sponsoring the provision of P&O devices by UTH to individuals attending UTH in Lusaka, Zambia
- (4) funding the delivery of a low-level P&O service in Katete, Zambia
- (5) continuing sponsorship of the training of staff for 500 miles' projects in Malawi and Zambia
- (6) the creation and implementation of a QMS at the 500 miles MCH P&O Centre and the 500 miles KCH P&O Centre in Malawi.

The main reason for the differential in expenditure between 2020 and previous years is that due to anticipated lower demand for and production of P&O devices at the two 500 miles P&O Centres in Malawi, the charity postponed its annual large order of international stock by six months, meaning that the usual large annual expenditure on (1) and (2) above did not fall in the year under review.





## **FINANCIAL REVIEW (continued)**

Expenditure on raising funds remained low at £4,237 (£4,947 in 2019) due to the charity not having carried out any significant fundraising activity.

Expenditure for this financial year totalled £125,053 (2019, £236,233 and 2018, £281,967).

After deducting total expenditure, the net movement on funds for the financial year was (£6,703) (2019 (£135,970) and 2018, (£28,076)), giving total funds carried forward of £268,007 (2019, £274,710 and 2018, £410,680). Of these £143,807 (2019, £188,337 and 2018, £267,397) are unrestricted 'free' reserves, after deduction of designated funds, all represented by cash.

At the end of the year under review, the charity transferred two restricted funds to unrestricted funds. One of them is the sum of £2,982 held under the Mzuzu Central Hospital Build Project & Kamuzu Central Hospital Refurbishment fund. It represents the residue of a grant made in 2012 by The Maitri Trust which has agreed to it being commuted. The other is the sum of £7,289 held under the FlySpec Project fund which, with the termination of the charity's relationship with UTH, now has no prospect of being continued. Gifts in 2013 and 2014, totalling £10,000 were allocated to this restricted fund only because the donor had previously donated to it, but they were in fact made to be used as the charity saw fit and therefore these funds should not have been shown as restricted. The balance has therefore been transferred to unrestricted funds to correct this.

### **Reserves policy**

The charity has not made and does not intend to make any future project commitments which will be legally enforceable or give rise to a constructive obligation except for payments in connection with the services of the managers of the 500 miles KCH P&O Centre and the 500 miles MCH P&O Centre. These commitments are dependent on services provided or conditions being met and so are not provided for in the 2020 accounts. In addition, there are non-contractual funding commitments in respect of two students which again do not represent a liability as defined in paragraphs 7.5 to 7.7 of the Charities SORP (FRS102).

The charity holds restricted funds of £16,782 from Johnson & Johnson granted towards the completion of the charity's Quality Improvement Project which was estimated to cost a further £22,050 (after deduction of fees of £3,000 already paid). There is therefore an expectation that the balance of £5,268 will be spent on this project from the charity's free reserves.

At the time of writing, the world is still subject to the effects of Coronavirus and of the measures designed to protect people from it and will probably continue to be so for some time. Having taken into account the likely impact of these effects on the charity's activities and fundraising potential, the trustees consider that, as at the balance sheet date, there is more than a one-year funding commitment for 2021. An assessment of the total project commitments, together with other potential training expenditure, has been treated as a designated fund in accordance with paragraph 7.34 of the SORP. The total assessment of the value of these commitments is £91,567. Again taking account of the likely effects of Coronavirus, reduced budgets have been established for each of the charity's projects and it is the board's intention to try to maintain reserves sufficient to cover approximately 50% of the annual core costs of the projects currently being supported (after taking account of the designations above) as a buffer against the expected continued low future income generation due to the effects of Coronavirus. The estimated reduced annual core costs for the activities of 500 miles' projects in the next financial period are £142,150 including the designated funds.

Reserves are therefore adequate relative to the projected budget but, as noted under "Risk management" below, the fact that, due to the effects of Coronavirus, the charity will be unable to hold the size and type of fundraiser it had been planning, on the timescale it had been planning, poses a major threat to its future ability to augment and sustain its reserves. Current low surplus reserves are very likely to be needed to supplement annual income to fund current projects over the coming years.



## **FINANCIAL REVIEW (continued)**

### **Investment policy**

The policy is to maximise the amount of interest that can be earned on any surplus funds by holding them in accounts/instruments offering the highest interest but with sufficient flexibility for the charity to be able to access them when needed. It is also essential that a sufficient balance to meet foreseeable payments is held in the charity's operational accounts. At the end of the accounting period the bulk of unutilised funds and other cash resources are held on a fixed term deposit account which will mature in March. In the current circumstances, when future fundraising can't be assumed and the charity does not have a lot of surplus reserves, the returns on any investment the charity could make would not compensate for the risk of loss of flexibility, and so no surplus funds will be re-invested when the fixed deposit matures.

This policy will be kept under review.

The trustees confirm that it is appropriate to adopt the going concern basis in preparing the annual financial statements

### **Risk management**

A formal risk assessment is carried out annually.

### **Coronavirus**

The risks posed by Coronavirus and the measures designed to protect people from it have crystallised, but the full extent of the medium and long-term effects is unknown and that is what represents the continuing risk. The major likely continuing effects are financial. They are the severe curtailment of fundraising activity and donations and the depletion of reserves through the purchase of stock to continue the charity's principal activities and paying personnel when the charity's ability to deliver its charitable purpose is significantly reduced, or even stopped, both of which will ultimately threaten the survival of the charity.

The charity had planned to hold a large fundraiser in 2021 in line with its fundraising cycle, but due to likely restrictions on large gatherings and the long lead-in time required, this is not a realistic prospect until at least 2022. Individual fundraising by supporters will continue to be affected by social distancing rules. Regular donations have been and may continue to be affected by a reduction in people's personal circumstances and ad hoc donations are even more likely to be reduced in the poor economic climate and by a natural preference for UK charities.

Expenditure is likely to be sustained at a similar level to 2019 because, although the charity does not expect to buy stock for the 500 miles MCH P&O Centre in the coming year and although the charity has established a practice of paying only half salaries to Malawian staff during skeleton staff periods, demand for P&O services and consumption of stock remained surprisingly high at the 500 miles KCH P&O Centre in 2019 and the charity will remain obliged to pay the expatriate managers' high salaries (at the 500 miles MCH P&O Centre only until June 2021).

Despite the prospect of depressed income and sustained expenditure, it is hoped that the charity's reserves will sustain the charity until income increases again.

The other main general risks to the charity affecting all or most of its projects are:

- 1. That African students who are funded for training fail to 'qualify' or leave the service.** To try to mitigate this risk, the charity is very careful in its selection and although the bonds are unenforceable in practice, it bonds students for 5 years.
- 2. That local staff in Africa who are trained/inducted with a view to working with 500 miles for a particular length of time don't stay and the investment of time is lost.** The charity therefore follows a rigorous selection procedure.



## FINANCIAL REVIEW (continued)

**3. That patients (who are children or vulnerable adults or otherwise) and/or personnel who come into contact with the charity suffer abuse of any kind as a result of such contact.** The charity adopted a safeguarding policy (including a safeguarding code of conduct, a patients' rights charter and a chaperone policy) in which all staff at the two 500 miles centres in Malawi were trained during 2019. New staff are inducted in the policy and all staff are regularly reminded of it.

**4. The possible detrimental effect of the United Kingdom having left Europe on the value of the GBP against the Euro and USD on the charity's ability to carry out its operations.**

The charity is project based and there are some major risks specifically associated with each project.

## PLANS FOR THE FUTURE AND ASSOCIATED RISKS

### **Malawi**

#### **The 500 miles KCH P&O Centre**

Subject to the restrictions resulting from measures to protect against Coronavirus and the effect of infection caused by the virus, 500 miles plans to continue to manage, operate and fund the 500 centre, all with a view to handing it over to KCH and MoH Malawi and/or the LION Trust. In particular, the charity intends to:

- (1) Consolidate and increase production.
- (2) Consolidate, maintain and, where possible, expand the level of its outreach work and seek to work with additional new partners to achieve more thorough and comprehensive coverage of central region.
- (3) Improve the quality of the service it provides by (a) completing and implementing a quality management system and (b) arranging at least one visit to the centre by the charity's quality improvement consultant to train the personnel in the system and in substantive areas where training is required for delivery of a quality service.
- (4) Continue to integrate its P&O service with KCH's services.
- (5) Continue to integrate and align its P&O service with that provided by MoH Malawi, and in particular to have personnel currently paid by 500 miles assumed onto the MoH Malawi payroll.
- (6) Working with the LION Trust, prepare to move into its new rehabilitation building which is scheduled for completion at the end of 2021.
- (7) Start the technician who has been selected for training on a 3-year diploma in orthopaedic technology with CSPO.
- (8) Discuss and document with KCH and MoH Malawi, the route, stages and timescale for handover.
- (9) Increase the self-sufficiency of the centre by maximising income through (a) finding new sources of third party income, (b) finding new third party partners to contribute to the cost of devices and (c) increasing the amount that existing third party partners contribute towards the cost of devices.

*The main risks specific to 500 miles' plans for the 500 miles KCH P&O Centre, some of which are exacerbated by the effects of Coronavirus, are:*

- (i) The expatriate manager becoming ill, not performing well or leaving without sufficient notice. This is a severe risk and it is particularly acute when international travel is restricted thereby reducing the options for and chances of finding a suitable replacement.*
- (ii) The quality improvement consultant becoming ill, not performing well or being otherwise unable to complete the quality improvement project. The consultant is a key woman and would be very hard to replace so this is a high risk..*
- (iii) The personnel at the centre not being willing or able to comply with the quality management system.*
- (iv) MoH Malawi not being willing to assume personnel currently being paid by 500 miles onto the MoH Malawi payroll.*
- (v) Restrictions on international travel preventing students joining courses.*
- (vi) MoH Malawi not honouring the existing memorandum of understanding with 500 miles.*
- (vii) Lack of cooperation from KCH and/or the LION Trust in working towards the integration of the centre with KCH and its eventual handover to KCH/MoH Malawi/the LION Trust.*



## **PLANS FOR THE FUTURE AND ASSOCIATED RISKS (continued)**

- (viii) Major accident or injury to non-MoH Malawi personnel.*
- (ix) The charity not being able to find enough in-country income, leaving 500 miles to fund too high a percentage of the full cost of production prices. This would make the handing over of the management and control of the centre less viable.*

### **Malawi**

#### **The 500 miles MCH P&O Centre**

500 miles will hand over the 500 miles MCH P&O Centre to MCH and MoH Malawi on 1<sup>st</sup> July 2021. Until then, subject to the restrictions resulting from measures to protect against Coronavirus and the effect of infection caused by the virus, 500 miles plans to continue to manage, operate and fund the centre and in particular to:

- (1) Consolidate production.
- (2) Consolidate the charity's relationships with all outreach and other referral/supporting partners in northern region and introduce them to the new manager of the centre.
- (3) Conduct the charity's own systematic and comprehensive sensitisation and outreach programmes in northern region to the maximum extent before handover.
- (4) Encourage and facilitate the participation of the centre in MCH outreaches to other districts of northern region.
- (5) Consolidate the implementation of the charity's quality management system.
- (6) Finalise the integration of the charity's P&O service with MCH's services.
- (7) Try to have the technician who is still paid by 500 miles assumed onto the MoH Malawi payroll and a rehabilitation technician appointed by MCH to the centre.
- (8) Consolidate the self-sufficiency of the centre by encouraging the staff to maximise income through (a) implementing the charity's charging policy (b) finding new sources of third party income, (c) finding new third party partners to contribute to the cost of devices and (d) increasing the amount that existing third party partners contribute towards the cost of devices.
- (9) Create a comprehensive manual for the new manager of the centre and a staff handbook.

#### ***The main risks specific to 500 miles' plans for the 500 miles MCH P&O Centre are:***

- (i) The expatriate joint managers becoming ill, not performing well or leaving without sufficient notice.*
- (ii) MoH Malawi not being willing to assume the technician who is still paid by 500 miles onto the MoH Malawi payroll.*
- (iii) Lack of cooperation from MCH and/or the new manager and/or staff of the centre in working towards the handover of the centre.*
- (iv) Major accident or injury to non-MoH Malawi personnel.*

### **Zambia**

After over five years of unsuccessfully trying to work with UTH and MoH Zambia to provide P&O services for the poor at UTH and to develop an outreach P&O service based at UTH, 500 miles has terminated its relationship with UTH. Never-the-less, through referral partners, the charity will continue to fund and/or subsidise the purchase of P&O services from UTH for people who cannot afford to pay for their own on an ad hoc basis,

500 miles will also continue to fund low-level P&O services (repairs and adjustments and simple orthoses) at St Francis Hospital and continue to sponsor 500 miles' previous representative at St Francis Hospital to study for his 3-year diploma in orthopaedic technology at Mobility India with a view to expanding the charity's work at St Francis Hospital when he qualifies in 2022.

#### ***The main risks specific to 500 miles' plans to facilitate access to P&O services at UTH and St Francis Hospital for people in Zambia who cannot afford to pay for these services are:***

- (i) UTH does not have suitable stock to make P&O devices.*
- (ii) Lack of cooperation from the staff at UTH.*
- (iii) MoH Zambia/UTH increase the price of P&O devices to an unaffordable level.*
- (iv) St Francis Hospital does not support 500 miles' low-level P&O service.*



## **PLANS FOR THE FUTURE AND ASSOCIATED RISKS (continued)**

- (v) Poor performance by the charity's representative at St Francis Hospital.*
- (vi) The student being sponsored to study at Mobility India failing the course.*
- (vii) Lack of control over the quality of the P&O services supported by 500 miles.*

### **Training**

Subject to the restrictions resulting from measures to protect against Coronavirus and the effect of infection caused by the virus, 500 miles will continue to fund the training of Malawian and Zambian orthopaedic technologists to diploma and degree level to meet the demands of the 500 miles KCH P&O Centre in Malawi and in Zambia, 500 miles' low-level P&O service which is operating at St Francis Hospital.

### **Other Activities**

As reported above, it is expected that measures to protect against Coronavirus will continue to result in the severe curtailment of all fundraising activity. Never-the-less, 500 miles will:

- (1) Continue to support any third-party fundraising and promote online donating and fundraising through Virgin Money Giving in priority to Just Giving.
- (2) Continue to promote regular donations to One Smile by any method.
- (3) Design and launch a large fundraising initiative which does not involve large gatherings as soon as reasonably practicable.
- (4) Apply for funding to trusts and foundations which support international work for the benefit of people with disabilities.
- (5) Work with Johnson & Johnson to apply the balance of its grant to the continuance and completion of the charity's quality improvement initiative as soon as possible.

Newsletters will be produced around May and November.

The charity's Facebook page will be maintained, its website will be kept up to date and, when required, its leaflet will be renewed.

The trustees would again like to offer a big thank you to all those who have supported the charity through donations and collaboration during the year.

## **STRUCTURE GOVERNANCE AND MANAGEMENT**

### **Governing document**

500 miles is a charitable association governed by a constitution for an unincorporated association and approved by the Office of the Scottish Charity Regulator (OSCR).

The original constitution was updated on 29 June and 8 July 2008, 1 May 2011 and 22<sup>nd</sup> January 2020. The constitution is considered by the trustees on an annual basis.

### **Recruitment and appointment of trustees**

The constitution states that the body of trustees shall consist of the officers of the charity (currently Olivia Giles) together with such additional number of trustees as the said body may determine from time to time. The trustees are as listed on page 15.

The trustees continue to review the composition of the trustee board to ensure an appropriate range of skills and experience are involved to oversee the development and running of the charity. The constitution provides that all new trustee appointments are ratified at the first annual general meeting of the charity following the date of appointment.

### **Trustees induction and training**

All current trustees are familiar with the planned development and practical work of the charity and are all knowledgeable in respect of the main charitable activities.



### **STRUCTURE GOVERNANCE AND MANAGEMENT (continued)**

New trustees will be given a suitable induction including an initial meeting with the chairman and the board and an induction pack with:

- main documents setting out operational framework including the constitution
- current financial position as set out in the latest published accounts
- board minutes
- briefing on the obligations of the trustee group.

#### **Organisational structure**

The board of the trustees meets at least twice throughout the year.

The day to day operations are delegated to the Executive Officer who is unpaid. All key decisions are ratified by the board.

The charity has no paid employees in the UK but it engages the services of a copywriter and occasionally of a website designer, all on an ad hoc basis.

The charity engages the services of two to three expatriates as full-time managers of its two projects in Malawi as well as the services of seven Malawians, all on a full-time and ongoing basis. These arrangements are expressly not contracts of employment but rather contracts for services. In Zambia, the charity pays the salary of one Zambian based in Katete through St Francis Hospital.

There are no plans to change the organisational structure of the charity over the next few years.

#### **Accounting period**

The accounting period of the charity is the calendar year to 31<sup>st</sup> December.



**LEGAL & ADMINISTRATIVE INFORMATION**

CHARITY NAME	500 miles
CHARITY NUMBER	SC038205
TRUSTEES	Susan Dalgety Susan Davic Robin Garrett Olivia Giles (Chairman, Treasurer and Executive Officer) Jane Salmonson
SECRETARY	Olivia Giles
PRINCIPAL ADDRESS AND REGISTERED OFFICE	Box 500 44-46 Morningside Road Edinburgh EH10 4BF
BANKERS	Adam and Company 25 St Andrew Square Edinburgh EH2 1AF  First Capital Bank Old Kandodo Building Kamuzu Procession Road Lilongwe Private Bag 85 Lilongwe Malawi  FDH Bank Malawi Mzuzu Branch Mzuzu Private Bag 209 Luwinga Mzuzu
INDEPENDENT EXAMINER	Mark W Barnish FCA 5 Michaels Close Newcastle-under-Lyme ST5 8QY



## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Law applicable to charities in Scotland requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the trust at the end of the year and of their financial activities during the year then ended. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the trust will continue in operation.

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the trust and which enable them to ensure that the financial statements comply with The Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the constitution of the trust. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the trust and to prevent and detect fraud and other irregularities.

## STATEMENT AS TO DISCLOSURE OF INFORMATION TO INDEPENDENT EXAMINER

So far as the trustees are aware, there is no relevant accounting information of which the charity's independent examiner is unaware, and each trustee has taken all the steps he ought to have taken as a trustee in order to make himself aware of any relevant accounting information and to establish that the charity's independent examiner is aware of that information.

Approved by the trustees on 15<sup>th</sup> March 2021 and signed on their behalf by:

A handwritten signature in black ink that reads "O Giles". The signature is written in a cursive, flowing style.

**O Giles**  
Secretary





**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF  
500 miles (Charitable Association)**

**Independent Examiner's Report to the Trustees of 500 miles Charitable Association)**

I report on the financial statements of the charity for the year ended 31 December 2020 which are set out on pages 18 to 27.

**Respective responsibilities of trustees and examiner**

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the 2006 Accounts Regulations does not apply.

It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

**Basis of independent examiner's statement**

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.


**Independent examiner's statement**

In the course of my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in any material respect the requirements:
  - to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations
  - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations

have not been met, or,

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

  
Mark W Barnish  
Chartered Accountant (FCA)  
5 Michaels Close  
Newcastle-under-Lyme  
ST5 8QY

17<sup>th</sup> March 2021

# 500 miles (Charitable Association)



## STATEMENT OF FINANCIAL ACTIVITIES For the year ended 31 December 2020

	Note	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	Total 2019 £
<b>INCOME FROM</b>					
Donations	2	44,706	58,699	103,405	81,070
Charitable activities	3	13,944	-	13,944	16,449
Investment income	4	1,001	-	1,001	2,744
<b>TOTAL INCOME</b>		<b>59,651</b>	<b>58,699</b>	<b>118,350</b>	<b>100,263</b>
<b>EXPENDITURE ON:</b>					
Raising funds		4,237	-	4,237	4,947
Charitable activities	5	92,348	28,468	120,816	231,286
<b>TOTAL EXPENDITURE</b>		<b>96,585</b>	<b>28,468</b>	<b>125,053</b>	<b>236,233</b>
<b>NET INCOME / (EXPENDITURE)</b>		<b>(36,934)</b>	<b>30,231</b>	<b>(6,703)</b>	<b>(135,970)</b>
Transfers between funds		10,271	(10,271)	-	-
<b>NET MOVEMENT IN FUNDS</b>	15	<b>(26,663)</b>	<b>19,960</b>	<b>(6,703)</b>	<b>(135,970)</b>
Total Funds Brought Forward		262,037	12,673	274,710	410,680
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>235,374</b>	<b>32,633</b>	<b>268,007</b>	<b>274,710</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 15 to the financial statements. The notes on pages 21 to 27 form part of the financial statements.

# 500 miles (Charitable Association)



## BALANCE SHEET As at 31 December 2020

	Note	Total Funds 2020 £	Total Funds 2019 £
<b>CURRENT ASSETS</b>			
Debtors	11	-	-
Cash at bank & in hand		268,007	274,710
		<u>268,007</u>	<u>274,710</u>
<b>LIABILITIES</b>			
Creditors amounts falling due within one year	12	-	-
		<u>-</u>	<u>-</u>
<b>NET CURRENT ASSETS</b>		268,007	274,710
Creditors amounts falling due after one year		-	-
		<u>-</u>	<u>-</u>
<b>TOTAL NET ASSETS</b>		<u><u>268,007</u></u>	<u><u>274,710</u></u>
<b>THE FUNDS OF THE CHARITY</b>			
Restricted income funds	15	32,633	12,673
Designated funds	15	91,567	73,700
General unrestricted funds		143,807	188,337
<b>TOTAL CHARITY FUNDS</b>	15	<u><u>268,007</u></u>	<u><u>274,710</u></u>

The financial statements on pages 18 to 27 were approved by the board of trustees on 15<sup>th</sup> March 2021 and signed on its behalf by:

*Olivia Giles*

**O Giles**  
Chairman

# 500 miles (Charitable Association)



## STATEMENT OF CASH FLOWS For the year ended 31 December 2020

	Note	2020		2019	
		£	£	£	£
<b>Cash flows from operating activities:</b>	<b>A</b>				
Net cash provided by operating activities			(6,691)		(138,434)
<b>Cash flows from investing activities:</b>					
Interest received		1,001		2,744	
<b>Net cash provided by investing activities</b>		<u>1,001</u>	<u>1,001</u>	<u>2,744</u>	<u>2,744</u>
<b>Cash flows from financing activities</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net cash provided by (used in) financing activities</b>					
<b>Change in cash &amp; cash equivalents in the reporting period</b>			<u>(5,690)</u>		<u>(135,690)</u>
Cash & cash equivalents at the beginning of the year			274,710		410,680
Change in cash & cash equivalents due to exchange rate movements			(1,013)		(280)
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	<b>B</b>		<u><u>268,007</u></u>		<u><u>274,710</u></u>

## NOTES TO THE STATEMENT OF CASH FLOWS

<b>A. Reconciliation of net income to net cash flow from operations</b>	<b>Total Funds 2020</b>	<b>Total Funds 2019</b>		
	<b>£</b>	<b>£</b>		
<b>Net income for the reporting period (as per the statement of financial activities)</b>	<b>(5,690)</b>	<b>(135,690)</b>		
Interest	(1,001)	(2,744)		
Decrease in debtors	-	-		
(Decrease)/increase in creditors	-	-		
<b>Net cash provided by operating activities</b>	<b>(6,691)</b>	<b>(138,434)</b>		
<b>B. Analysis of cash and cash equivalents</b>	<b>At 1 January 2020</b>	<b>Cash flows 2020</b>	<b>Other changes 2020</b>	<b>At 31 December 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash in hand	274,710	(6,703)	-	268,007
<b>Total cash &amp; cash equivalents</b>	<b>274,710</b>	<b>(6,703)</b>	<b>-</b>	<b>268,007</b>



## NOTES TO THE FINANCIAL STATEMENTS For the 12 months ended 31 December 2020

### ACCOUNTING POLICIES

#### BASIS OF PREPARATION

The accounts have been prepared under the historical cost convention and are in accordance with the Charities and Trustees Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015).

Assets and Liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note

The trustees consider that there are no material uncertainties about the ability of the charity to continue as a going concern for the foreseeable future. Accordingly, the accounts have been prepared on a going concern basis.

#### PUBLIC BENEFIT ENTITY

The Charitable Association meets the definition of a public benefit entity under FRS 102.

#### KEY JUDGEMENTS AND ESTIMATION UNCERTAINTY

In preparing the financial statements the trustees have not needed to exercise any judgements which have had a significant effect on the amounts recognised in the financial statements.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

#### INCOME

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

In accordance with the Charities SORP (FRS 102), no amounts are included in the financial statements for services donated by volunteers.

#### FUND ACCOUNTING

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets that specified purpose is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for general charitable purposes.

Designated funds are unrestricted funds which from time to time may be earmarked by the trustees for particular purposes for the future.



## FOREIGN CURRENCY

Transactions in foreign currencies are converted into sterling using the average exchange rate during the year except for (1) closing cash balances which are converted at prevailing rate at the balance sheet date and (2) movement of funds from GBP accounts to foreign currency bank accounts which are converted at the actual exchange rate at the time. Exchange rate differences are taken into account in arriving at the operating result.

## EXPENDITURE AND IRRECOVERABLE VAT

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

Expenditure is classified under the following activity headings:

- Costs of raising funds: relate to the costs incurred by the charity in attracting third parties to make voluntary contributions to it, as well as the costs of any activities with a fundraising purpose;
- Charitable activities: includes all expenditure directly related to the objects of the charity and comprise the following in respect of ongoing activities which are, in summary the development and delivery of P&O devices in two African nations; the management of the facilities in Malawi which offer these services, assistance to the facilities in Malawi and Zambia to maintain and expand them and the support for training of various personnel to support the 500 miles projects where established. For 2020 these comprised:
  - Malawian project: costs attributable to management, operation and funding of P&O workshops and fitting of P&O devices to patients at the two separate centres of Kamuzu and Mzuzu Central Hospitals and funding outreach services.
  - Zambian project: costs attributable to supporting UTH to deliver P&O devices to local and walk-in patients in Lusaka and the costs of delivering 'low level' prosthetic and orthotic devices to poor people at Beit Cure Hospital and at St Francis Hospital.
  - Training project: costs attributable to the ongoing training of Malawians and Zambians in Cambodia and India to meet the future needs of Malawi and Zambia for qualified P&O personnel.
- Governance: includes the cost of the external audit, trustee expenses and ad hoc administrative expenses.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

## ALLOCATION OF SUPPORT COSTS

Due to the structure and organisation of the charity, support costs comprise solely of interest paid and exchange rate differences which are not material to the overall charitable activity expenditure. As such these are not specifically allocated to individual projects.

## CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.



NOTES TO THE FINANCIAL STATEMENTS  
For the 12 months ended 31 December 2020

1. DETAILED COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds 2019	Restricted Funds 2019	Total Funds 2019
	£	£	£
<b>INCOME FROM</b>			
Donations	42,772	38,298	81,070
Charitable activities	16,449	-	16,449
Investments	2,744	-	2,744
<b>TOTAL INCOME</b>	<b>61,965</b>	<b>38,298</b>	<b>100,263</b>
<b>EXPENDITURE ON:</b>			
Raising funds	4,947		4,947
Charitable activities	166,878	64,408	231,286
<b>TOTAL EXPENDITURE</b>	<b>171,825</b>	<b>64,408</b>	<b>236,233</b>
<b>NET INCOME</b>	<b>(109,860)</b>	<b>(26,110)</b>	<b>(135,970)</b>
Transfers between funds	-	-	-
<b>NET MOVEMENT IN FUNDS</b>	<b>(109,860)</b>	<b>(26,110)</b>	<b>(135,970)</b>
Total Funds Brought Forward	371,897	38,783	410,680
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>262,037</b>	<b>12,673</b>	<b>274,710</b>

2. DONATIONS	Unrestricted Funds 2020	Restricted Funds 2020	Total Funds 2020	Total Funds 2019
	£	£	£	£
Individuals & Corporates	41,706	51,199	92,905	61,370
Charitable Trusts	3,000	7,500	10,500	19,700
<b>Donations</b>	<b>44,706</b>	<b>58,699</b>	<b>103,405</b>	<b>81,070</b>

All income in this category arose from donations through fund raising.

# 500 miles (Charitable Association)



## NOTES TO THE FINANCIAL STATEMENTS For the 12 months ended 31 December 2020

<b>3. INCOME FROM CHARITABLE ACTIVITIES</b>	<b>Unrestricted Funds 2020 £</b>	<b>Restricted Funds 2020 £</b>	<b>Total Funds 2020 £</b>	<b>Total Funds 2019 £</b>
Malawi Project, device sales	13,944	-	13,944	16,449
<b>4. INCOME FROM INVESTMENTS</b>	<b>Unrestricted Funds 2020 £</b>	<b>Restricted Funds 2020 £</b>	<b>Total Funds 2020 £</b>	<b>Total Funds 2019 £</b>
Bank interest	1,001	-	1,001	2,744
<b>5. EXPENDITURE ON CHARITABLE ACTIVITIES</b>	<b>Unrestricted Funds 2020 £</b>	<b>Restricted Funds 2020 £</b>	<b>Total Funds 2020 £</b>	<b>Total Funds 2019 £</b>
Malawi project	79,010	17,566	96,576	185,271
Zambian project	5,852	7,500	13,352	14,104
Quality Improvement Project	5,698	3,000	8,698	26,167
Flyspec project				2,000
Mzuzu Central Hospital Build Project & Kamuzu Central Hospital refurbishment		402	402	2,032
Support Costs (note 6)	1,552	-	1,552	1,347
Governance costs (note 7)	236	-	236	365
	92,348	28,468	120,816	231,286

Within the above expenditure, there is a total of £9,220 training expenditure (2019: £22,758).

<b>6. SUPPORT COSTS</b>	<b>Unrestricted Funds 2020 £</b>	<b>Restricted Funds 2020 £</b>	<b>Total Funds 2020 £</b>	<b>Total Funds 2019 £</b>
Bank Charges	539	-	539	1,067
Exchange rate differences	1,013	-	1,013	280
	1,552	-	1,552	1,347





NOTES TO THE FINANCIAL STATEMENTS  
For the 12 months ended 31 December 2020

<b>7. GOVERNANCE COSTS</b>	<b>Unrestricted Funds 2020</b>	<b>Restricted Funds 2020</b>	<b>Total Funds 2020</b>	<b>Total Funds 2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trustee Expenses	-	-	-	139
Administration	236	-	236	226
Audit				
	<b>236</b>	<b>-</b>	<b>236</b>	<b>365</b>

**8. STAFF COSTS & NUMBERS**

The charity employed no staff during the financial year.

**9. TRUSTEES' REMUNERATION & RELATED PARTY TRANSACTIONS**

The trustees, neither received, nor waived, any emoluments during the year. No expenses were reimbursed to trustees (2019: £139 to one trustee) and no related third party transactions occurred.

<b>10. AUDIT FEES</b> (included in governance costs in note 5 above)	<b>Unrestricted Funds 2020</b>	<b>Restricted Funds 2020</b>	<b>Total Funds 2020</b>	<b>Total Funds 2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Audit Fees	-	-	-	-

<b>11. DEBTORS</b>	<b>Unrestricted Funds 2020</b>	<b>Restricted Funds 2020</b>	<b>Total Funds 2020</b>	<b>Total Funds 2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Accrued income	-	-	-	-

<b>12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>Unrestricted Funds 2020</b>	<b>Restricted Funds 2020</b>	<b>Total Funds 2020</b>	<b>Total Funds 2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Accruals	-	-	-	-



13. ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
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Net current assets	235,374	32,633	268,007
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14. ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £
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Net current assets	262,037	12,673	274,710
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15. MOVEMENTS IN FUNDS	Fund balances at the start of the year £	Income & Gains £	Expenditure & Losses £	Transfers £	Fund balances at the end of the year £
<b>Restricted funds</b>					
Training - Malawi	-	9,021	(868)		8,153
Training - Zambia		7,500	(7,500)		-
Flyspec	9,289			(7,289)	2,000
Mzuzu Central Hospital Build Project & Kamuzu Central Hospital Refurbishment	3,384		(402)	(2,982)	-
Quality Improvement Project		19,782	(3,000)		16,782
Fundraising		2,500			2,500
One Smile	-	19,896	(16,697)		3,199
<b>Total restricted funds</b>	12,673	58,699	(28,467)	(10,271)	32,633
<b>Unrestricted funds</b>					
Designated funds	73,700		(73,700)	91,567	99,720
General funds	188,337	59,651	(22,885)	(81,296)	143,807
<b>Total unrestricted funds</b>	262,037	59,651	(96,585)	10,271	235,374
<b>TOTAL FUNDS</b>	<b>274,710</b>	<b>118,350</b>	<b>(125,053)</b>	<b>-</b>	<b>268,007</b>



## NOTES TO THE FINANCIAL STATEMENTS For the 12 months ended 31 December 2020

### RESTRICTED FUNDS

#### **Training - Malawi**

The income of £9,021 is from St Columba's Church towards the costs of training a named Malawian student.

#### **Training - Zambia**

The income of £7,500 is from the Shoe Zone Trust towards the costs of training a named Zambian student.

#### **FlySpec**

This fund was originally created in 2008 for the charity's work with FlySpec, a Zambian charity which delivers orthopaedic surgery to remote parts of Zambia. The money was used for outreach with FlySpec and to cost share with it on transport. A payment of £2,000 will be made to FlySpec in January 2021 in respect of 2020, however, with the termination of the charity's relationship with UTH in January 2021, there is no prospect of this outreach work being continued. Gifts received in 2013 and 2014, totalling £10,000 were held in this restricted fund by the charity only because the donor had previously donated to it, but they were in fact made to be used as the charity saw fit and therefore the balance of this fund (£7,289) has been transferred to unrestricted funds.

#### **Mzuzu Central Hospital & Kamuzu Central Hospital refurbishment**

This fund was created with a large grant from the Maitri Trust for the construction of the 500 miles MCH P&O Centre in Mzuzu during 2012. In April 2017 Maitri gave permission to 500 miles to apply any balance held by the charity from Maitri towards the upkeep of the 500 miles MCH P&O Centre and the 500 miles KCH P&O Centre. In the year under review there was £402 of relevant expenditure to which these restricted funds may be applied, leaving £2,982 in the restricted fund. With the anticipated handover of the 500 miles MCH P&O Centre in 2021, Maitri has agreed that this balance can be transferred to unrestricted funds.

#### **Quality Improvement Project**

Funds received from Johnson & Johnson are used to support the quality management system for the charity's service in Malawi.

#### **One Smile**

Funds received expressly for One Smile or for direct patient service are allocated to One Smile. The charity only uses funds in the One Smile restricted fund for buying materials and components and other expenses of actual production and paying for devices.

#### **Fundraising**

These funds of £2,500 are held to be used for a particular donor's fundraising activity.

### DESIGNATED FUNDS

The trustees recognise that at the balance sheet date, in their opinion they had effectively made commitments for the financial year ending 31 December 2021 to fund certain expenditure relating to the projects detailed in the trustees' report, in respect of (1) managers working at the 500 miles KCH P&O Centre and the 500 miles Mzuzu P&O Centre in Malawi, (2) monthly payments to one Zambian and (3) the training of two of students in Cambodia and India. These commitments have been assessed to total £91,567 and will be discharged over the course of that financial year.