



500 miles
(Charitable Association)

ANNUAL REPORT
AND
FINANCIAL STATEMENTS

31 December 2021



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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 2021.

The Legal 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, Susan Davie and Shruti Turner.

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 continued to be 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**") up to the end of June 2021, when it was handed over, as planned, to the Malawi Ministry of Health ("**MoH Malawi**"). This orthopaedic workshop, built and established by 500 miles in 2012, prescribes, manufactures and fits prostheses and orthoses and the charity's aim was for it to serve the whole of northern region of Malawi.
3. The support and funding of the delivery of low-level prosthetic and orthotic ("P&O") services to poor people attending St Francis Hospital in Katete ("St Francis Hospital") by directly funding an individual, seconded there by 500 miles, to provide this service.
4. Paying for the provision of P&O devices to poor people by the University Teaching Hospital in Lusaka, Zambia ("UTH") on an ad hoc basis.
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. Fundraising and support of third party fundraising for the charity.



ACHIEVEMENTS AND IMPACT

Malawi

Externally derived income generated in Malawi was £9,385. It was £13,944 in 2020 and £16,449 in 2019. The drop in income externally derived during 2021 from the 2020 figure is partly because the charity ceased managing the 500 miles MCH P&O Centre at the end of June and so there was no income after May 2021, and partly because the charity's charging policy was not enforced well at the 500 miles KCH P&O Centre during 2021. The drop from the 2019 figure was mainly as a result of a reduction in demand for and production of P&O devices due to Coronavirus. The figure achieved by way of income in 2021 is proportionately not significantly less than that of 2020.

In 2018, the charity appointed a quality improvement consultant ("QIC") to create and implement a quality management system ("QMS") at the 500 miles KCH P&O Centre and the 500 miles MCH P&O Centre during 2019. 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 in 2020 or 2021 due to Coronavirus. Since the charity's local managers at the 500 miles MCH P&O Centre managed to refine, fully implement, embed and audit the QMS at that centre before it was handed over in July 2021, Johnson & Johnson have agreed that the whole of the second grant may be spent on completing the project at the 500 miles KCH P&O Centre where the practice and audit of the QMS has lapsed since the end of 2019, partly due to the restrictions imposed as a result of the virus putting pressure on the reduced staff's capacity and also due to lack of momentum and enforcement as a result of the QIC not being able to visit. Johnson & Johnson have also agreed to postpone the end date for the project until 30th June 2023.

At the 500 miles KCH P&O Centre

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

Capacity and production rate were higher than for 2020 but reduced from 2019 and previous years. That reduction is mainly due to reduced patient demand and some rota working and significantly reduced outreach activity, all as a direct result of Coronavirus. 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 in 2021 was 1,267 compared with 1,212 in 2020, 1,412 in 2019, 1,665 in 2018 and 1,452 in 2017. 1,042 new P&O devices were delivered in 2021, compared with 959 in 2020, 874 in 2019, 1,294 in 2018 and 1,104 in 2017, which represents an average of 86.8 new devices a month compared with an average of 79.9 in 2020, 72.8 in 2019, 107.8 in 2018 and 92 in 2017. KCH P&O Centre had 8,137 registered patients as at the end of 2021, up 1,399 from 6,738 at the end of 2020.

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, only limited outreach was possible 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 remains very high. The increase in capacity and production from 2020 shows that this centre adapted well to the impact of Coronavirus.

500 miles funded the vast majority of the costs of these 1,042 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.

Due to the restrictions imposed as a result of Coronavirus, the charity has not been able to expand the level of its outreach work or to work with new partners in new areas, but it did undertake



ACHIEVEMENTS AND IMPACT (continued)

outreach activity with its established partners whenever it was permitted and safe.

From April onwards, 500 miles participated in a heavy multidisciplinary outreach programme with three of our principal partners, visiting 7 sites in central region, two of them twice. In addition, the charity ran one small outreach with a regular partner in October and a major sensitisation and outreach for another regular partner in November.

The Lilongwe Institute of Orthopaedics and Neurosurgery ("LION") is a joint venture between a Norwegian consortium and MoH Malawi. LION is constructing a new orthopaedic complex in Lilongwe. During the year, 500 miles has agreed informally with LION that the charity will move its P&O service from the 500 miles KCH P&O Centre into the rehabilitation section of the LION complex on completion and leave the 500 miles KCH P&O Centre for the use of KCH. This means that when 500 miles hands over fiscal and administrative control of the P&O service which it currently runs at the 500 miles KCH P&O Centre to the Malawi government, in accordance with the charity's long-term plan, 500 miles will actually hand it over to LION in these new premises. This should facilitate a smoother handover of the charity's P&O service, as well as support its long-term sustainability. Completion of the rehabilitation section of the LION complex has been delayed by the impact of Coronavirus but is now scheduled for August 2022.

500 miles has continued to integrate and align its P&O service at the 500 miles KCH P&O Centre with associated and complementary health services at KCH as these services will also move to the LION complex.

In preparation for the move to LION complex, the charity has been working towards having its staff at the 500 miles P&O centre employed by MoH Malawi/LION with one qualified technician being taken on by MoH Malawi during the year.

500 miles funded a former technician at the 500 miles KCH P&O Centre to study for the first year of a three-year residential diploma course in orthopaedic technology with CSPO, starting in January 2021. The student was unable to travel to Cambodia due to travel restrictions imposed as a result of Coronavirus, but he studied online throughout the year with a view to catching up on the practical part of his course when travel is permitted.

The charity nominated another technician at the 500 miles KCH P&O Centre to take up sponsorship offered through CSPO for a one-year residential P&O technician training course, beginning in May 2021. Again, the student was unable to travel to Cambodia, but he studied online and the course has been extended to July 2022 to allow him to catch up on the practical element when he can travel.

The charging policy at the 500 miles KCH P&O Centre requires those who can pay to contribute as much as they can afford towards the cost of devices. In October 2021, 500 miles rebooted the enforcement of this policy with a view to increasing the income and self-sufficiency of the centre.

At the 500 miles MCH P&O Centre

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 was achieved on schedule, on 1st July 2021. This handover was achieved and should be sustainable on account of a number of factors - (1) The installation, implementation and consolidation 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 continued to pay invoices regularly and to take on increasing responsibility for costs. (3) The charging policy introduced by 500 miles being successfully implemented by the staff to generate in-country income. (4) Sufficient staff having been sponsored to attain international qualifications and the unqualified staff had been well trained on the job. (5) All of the staff bar one technician, having been absorbed on to the MoH payroll. (6) Most importantly, 500 miles had sponsored the training of a Malawian to degree level and since she qualified in June 2019, had given her on the job management training so that she was competent to manage the centre.



ACHIEVEMENTS AND IMPACT (continued)

Despite the impact of Coronavirus, 500 miles continued to manage, operate and fund the 500 miles MCH P&O Centre until the handover. The charity funded all costs of production of all P&O devices supplied which were not met by MoH Malawi or by income to the centre from third party sources.

Capacity and production rates continued to be depressed compared with pre-pandemic years due to reduced patient demand as a direct result of Coronavirus, however, they did recover quite significantly compared with 2020, mainly due to increased outreach activity. As for the 500 miles KCH P&O Centre, 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 in the 6-month period to the end of June 2021 was 246 compared with 422, 628, 659 and 665 in the 12-month periods of 2020, 2019, 2018 and 2017, respectively. 276 new P&O devices were delivered in the first 6 months of 2021 compared with 412, 719, 827 and 777 in the years 2020, 2019, 2018 and 2017, respectively. This represents an average of 46 new devices a month compared with an average of 33.3 in 2021, 59.9 in 2019, 68.9 in 2018 and 64.7 in 2017. The 500 miles MCH P&O Centre had 2,694 registered patients as at the end of 2021, up 132 from 2,562 at the end of 2020.

In all of the circumstances which prevailed, including that the charity was preparing to handover this centre and was restricted in operating its outreach programme which usually generated around half of this centre's patients, these statistics show that the 500 miles MCH P&O Centre kept operating at approximately two thirds of its usual capacity and exceeded its production rate in 2020 by 38% and that the service was operating efficiently and was well established in northern region when it was handed over.

500 miles funded or part funded the vast majority of the costs of the 276 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 in March and June and one multi-disciplinary outreach in conjunction with three partners in May. A few ad hoc referrals were made from additional sources but most outreach activity with third parties was frustrated as a result of the impact of Coronavirus, as was the opportunity to develop additional outreach partnerships and referral sources.

In April, as part of 500 miles' own systematic sensitisation and outreach programme which was 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 one outreach (to 4 sites each and covering 4 large health centre clusters) in Mzimba North. 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.

500 miles MCH P&O Centre was unable to participate in any MCH-led outreaches to other districts of northern region because MCH did not organise any.

The technician on the staff at the 500 miles MCH P&O Centre who was not absorbed onto the MoH Malawi payroll was placed at the 500 miles KCH P&O Centre from June 2021.

500 miles created a comprehensive manual for the new manager of the 500 miles MCH P&O Centre and a staff handbook.

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 of Malawi have a



ACHIEVEMENTS AND IMPACT (continued)

P&O service which they can access or can be assisted to access. In the period under review, despite the impact of Coronavirus, 1,513 patients received 1,318 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 has always been 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, this has been fully achieved for the 500 miles MCH P&O Centre and significant progress has been made towards the handover of the 500 miles KCH P&O Centre - and so the charity has achieved a major part of its main long term aim in Malawi.

Zambia

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 and paying for the stock and tools that she uses.

500 miles' representative at St Francis Hospital conducted 133 patient appointments (143 in 2020 and 141 in 2019 and 161 in 2018), and fitted 91 devices to 57 local patients (81 devices to 56 local patients in 2020, 69 local patients in 2019 and 65 local patients in 2018). She also carried out repairs for 46 patients compared with 53 in 2020, 36 in 2019 and 21 in 2018). Although the volume of work in 2021 is a little lower than in 2020, despite the effects of Coronavirus in 2020 and 2021, the demand for this service has continued and even grown since it was started by the charity in 2017. This is probably because the service has become better known and because although there are new patients each year, many of them return for regular replacement of their simple devices and for repairs. During the year under review, the charity's representative at St Francis Hospital identified 30 patients (24 in 2020) as needing P&O devices from UTH but, as explained below, was unable to refer any of them to UTH.

500 miles terminated its previous working relationship with UTH at the beginning of 2021. However, 500 miles continued to pay for the provision of P&O devices by UTH to five poor people who were proposed to 500 miles by third parties to whom 500 miles could readily transfer funds for payment of the devices by the third parties to UTH.

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

The charity's work in Zambia during the year under review has been purely humanitarian and at a low ebb, but 57 Zambians, all on low or no incomes, have been fitted with simple orthotic devices and 46 more have received repairs or adjustments to their devices, all leading to increased quality of life.

The low-level P&O service that 500 miles established at St Francis Hospital in January 2017 has been increasingly successful and has become well established.

Training

500 miles continued to fund the training of Malawian and Zambian orthopaedic technologists at CSPO and at Mobility India. 21 students have been sponsored by 500 miles for 23 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.



ACHIEVEMENTS AND IMPACT (continued)

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 so, launched in June 2021, over the rest of the year, 500 miles ran a fundraiser, called the BIG dinner 2, in which supporters were asked to raise money through holding their own small gatherings. The unexpected ongoing uncertainty and caution brought about by the pandemic meant that the fundraiser did not take off as hoped but in November 2021, the charity recast the fundraiser as the charity's final community appeal, removed the end date and simply asked for donations. By the end of the year around £95,000 had been raised.

The charity's website was updated and a substantial newsletter was issued in November with an additional e-bulletin in June.

The BIG dinner 2 involved making a promotional video summarising the charity's work in Malawi to date as well as social media posts three or four times a week from June to December on each of Facebook, Twitter and Instagram.

As noted in the Financial Review below, the charity continues to collect regular donations to One Smile through standing order or similar.

Limited third-party fundraising was supported and the charity was promoted at 7 public talks, all of them online.

FINANCIAL REVIEW

Results for the period

During this accounting period, despite the effects of Coronavirus, income was surprisingly strong at £148,852 (2020, £118,350; 2019, £100,263; 2018, £253,891 and 2017, £131,923). The increase from the two previous years is mainly due to the charity's fundraiser and final community appeal called the BIG dinner 2.

Of the total income for 2021, donations totalling £29,876 were restricted in nature, the majority of these being split between One Smile (£22,144) and training (£7,732).

This is the eleventh 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 £17,618 was raised in this financial period (2020, £14,541; 2019, £15,461; 2018, £16,007 and 2017, £14,118). (These are in addition to other one-off donations to One Smile.) The increase on previous years is mainly due to three new regular large commitments at the start of the year, one of which has since been cancelled.

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 again to £9,385



FINANCIAL REVIEW (continued)

(2020, £13,944, 2019, £16,449). The sustained drop in income from the sale of devices is partly due to continuing reduced production of P&O devices at the two centres due to Coronavirus, but the drop from the 2020 figure is partly because the charity ceased managing the 500 miles MCH P&O Centre at the end of June and so there was no income after May 2021 and partly because the charity's charging policy was not enforced well at the 500 miles KCH P&O Centre during 2021.

Expenditure on charitable activities totalled £127,633 (2020, £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) funding the delivery of a low-level P&O service in Katete, Zambia
- (4) continuing sponsorship of the training of staff for 500 miles' projects in Malawi and Zambia.

Expenditure on charitable activities in 2021 is a little higher than for 2020 because the charity paid for an annual stock order for the 500 miles KCH P&O Centre during the year whereas it did not pay for any stock in 2020, but it is still low compared with previous years because the charity ceased managing the 500 miles MCH P&O Centre at the end of June and so there were no running costs for that centre from July, there were significantly reduced costs in Zambia and no expenditure on the charity's quality improvement project.

Expenditure on raising funds was unusually high at £14,735 due to the costs of running the charity's fundraiser and final community appeal called the BIG dinner 2 (2020, £4,237 and 2019, £4,947).

Expenditure for this financial year totalled £142,368 (2020, £125,053 and 2019, £236,233).

After deducting total expenditure, the net movement on funds for the financial year was £6,484 (2020, (£6,703) and 2019 (£135,970)), giving total funds carried forward of £274,491 (2020, £268,007 and £2019, £274,710). Of these £147,819 (2020, £143,807 and 2019, £188,337) are unrestricted 'free' reserves, after deduction of designated funds, all represented by cash.

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 manager of the 500 miles KCH P&O Centre. This commitment is dependent on services provided or conditions being met and so is not provided for in the 2021 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 are now estimated to cost a further £22,500 (after deduction of fees of £3,000 already paid). There is therefore an expectation that the balance of £7,500 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 the uncertainty and caution created by the impact of Coronavirus and may continue to be so for some time. Having taken into account the likely consequences for the charity's activities and fundraising potential, the trustees nevertheless 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 £108,546. 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



FINANCIAL REVIEW (continued)

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 £153,390 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 is unlikely to be able to raise much more through community fundraising and will be relying on receiving grants from trusts and foundations, 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.

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. In the current circumstances, when future income can't be assumed and the charity does not have high 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 are currently invested and there are no plans to invest.

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 and the Executive Officer reviews and updates the risk register monthly.

The medium and long-term effects of Coronavirus are likely to be financial but they are as yet unknown, and that is what represents a continuing risk.

The charity's final large fundraiser was frustrated by the restrictions on even small gatherings as a result of measures to protect people from Coronavirus and, although it was recast as the charity's final community appeal with no end date, it has not been as successful as had been hoped and it would now be difficult to appeal again to regular supporters and the public. Individual fundraising by supporters will probably continue to be reduced and regular donations 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. Therefore, a lot of reliance is being placed on being able to raise funds from trusts and foundations with no guarantee of success.

Expenditure is likely to be sustained at a similar level to 2021 because demand for P&O services and consumption of stock has remained surprisingly high at the 500 miles KCH P&O Centre in 2021 and the charity will remain obliged to pay the ongoing running costs and the high salary of the manager at the 500 miles KCH P&O Centre and to pay training costs, all as is necessary to continue the charity's principal activities.

Despite the prospect of depressed income and sustained expenditure, which would ultimately threaten the survival of the charity, it is hoped that the charity's reserves will sustain the charity until income increases again and it should be recognised that the charity is in the final phase of its objectives and that its operations will not increase but gradually wind down.



RISK MANAGEMENT (continued)

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.
- 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 the European Union 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.

CLIMATE CHANGE AND SUSTAINABILITY

The trustees have considered the effect of 500 miles' operations on the environment. The main consideration is the importation from Switzerland to Malawi of plastic and components for the manufacture of P&O devices. The plastic and components are not recyclable without disproportionately expensive plant, but the charity is using the low cost system of manufacture recommended for developing countries by ICRC for economic reasons and the long term sustainability of the P&O service for Malawi. It may become possible to purchase the stock from a hub based in Africa, but at this time it is not economic to do so. The charity only imports what cannot be bought locally and tries to make only an annual order so as to balance maintaining cash flow with making the fewest number of shipments and it orders early so that it does not have to use airfreight other than in emergency.

It is essential for effective management and communication with Malawi MoH as the host country for 500 miles' principal operational activities, that the CEO visits Malawi at least once a year when travel is possible and safe. It is also essential that the charity's QIC teaches and embeds our QMS at the 500 miles KCH P&O Centre and carries out training there, in person and that will necessitate three visits to Malawi over 2022 and 2023 to complete the charity's quality improvement project. Otherwise, travel is minimised. The board has decided that only of the two usual annual meetings of the trustees will be face to face to avoid one trustee flying.

The charity has no physical premises.

500 miles will only send items to Malawi and Zambia which cannot be procured locally in those countries or neighbouring countries unless the items are donated and the economic benefit outweighs the cost of shipping.

PLANS FOR THE FUTURE AND ASSOCIATED RISKS

Malawi

Subject to the effects of possible continuing measures to protect against Coronavirus and the effect of infection cause by the virus, in 2022, 500 miles plans to continue to manage, operate and fund the charity's P&O service currently based at the 500 miles KCH P&O Centre, all with a view to handing it over to LION by the end of 2024. In particular, the charity intends to:

- (1) Consolidate and increase production.

PLANS FOR THE FUTURE AND ASSOCIATED RISKS (continued)

- (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 the QMS and (b) arranging at least one visit to the centre by the charity's QIC to train the personnel in the system and in substantive areas where training is required for delivery of a quality service.
- (4) Move into the rehabilitation section of the LION complex as soon as it has been completed (currently scheduled for August 2022) and continue to work with LION to facilitate that move.
- (5) Continue to integrate its P&O service with KCH's associated and complementary health services until the move to the LION complex and then with LION's health services and systems.
- (6) Continue to work with LION to have all of its personnel currently paid by 500 miles assumed onto the MoH Malawi payroll and all of its staff currently working at the 500 miles KCH P&O Centre allocated to work at the LION complex.
- (7) Discuss and document with LION the route, stages and timescale for handover of the charity's P&O service to LION.
- (8) Continue to sponsor a student who is undertaking year two of a 3-year diploma in orthopaedic technology with CSPO and facilitate his travel to Cambodia.
- (9) Continue to support the technician who is undertaking a one-year residential P&O technician training course with CSPO which began in May 2021 and facilitate his travel to Cambodia.
- (10) Consider sponsoring the holder of a 3-year diploma in orthopaedic technology currently working at the 500 miles KCH P&O Centre to upgrade that qualification to a degree.
- (11) Increase the self-sufficiency of the charity's P&O service by maximising income through (a) continuing to enforce 500 miles' 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.

The main risks specific to 500 miles' plans for the charity's P&O service currently based at the 500 miles KCH P&O Centre, some of which are potentially 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 QIC 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 QMS.*
- (iv) *The construction of the rehabilitation section of the LION complex being significantly delayed.*
- (v) *MoH Malawi not assuming the personnel currently being paid by 500 miles onto the MoH Malawi payroll and/or not allocating all or substantially all of the staff currently working at the 500 miles KCH P&O Centre to work at the LION complex.*
- (vi) *Restrictions on international travel preventing students joining courses.*
- (vii) *MoH Malawi not honouring the existing memorandum of understanding with 500 miles.*
- (viii) *Lack of cooperation from KCH in working towards the integration of the charity's P&O service with KCH's associated and complementary health services.*
- (ix) *Lack of cooperation from LION in working towards (a) the move of the charity's P&O service to the LION complex, (b) the integration of the charity's P&O service with LION's health services and system after that move, (c) having the personnel currently being paid by 500 miles assumed onto the MoH Malawi payroll and/or all or substantially all of the staff currently working at the 500 miles KCH P&O Centre allocated by MoH Malawi to work at the LION complex, and (d) the planned handover of the charity's P&O service to LION.*
- (ix) *Major accident or injury to non-MoH Malawi personnel.*
- (x) *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 charity's P&O service at the 500 miles KCH P&O Centre less viable.*

PLANS FOR THE FUTURE AND ASSOCIATED RISKS (continued)

Zambia

500 miles will continue to sponsor 500 miles' previous representative at St Francis Hospital to study for his 3-year diploma in orthopaedic technology at Mobility India and when he qualifies in July 2022, endeavour to arrange sustainable employment for him which will both (1) make the best use of his training and (2) best assist poor people in Zambia who need P&O devices, for the long term.

Even if that student is not placed at St Francis Hospital, 500 miles will probably continue to fund low-level P&O services (repairs and adjustments and simple orthoses) at St Francis Hospital.

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 and who are proposed to 500 miles by third parties to whom 500 miles can readily transfer funds for payment of the devices by the third parties to UTH.

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) The student being sponsored to study at Mobility India failing the course.*
- (ii) 500 miles not being able to find suitable employment for that student*
- (iii) St Francis Hospital does not support 500 miles' low-level P&O service.*
- (iv) Poor performance by the charity's representative at St Francis Hospital.*
- (v) UTH does not have suitable stock to make P&O devices.*
- (vi) MoH Zambia/UTH increase the price of P&O devices to an unaffordable level.*
- (vii) Lack of control over the quality of the P&O services supported by 500 miles.*

Training

Subject to the effects of possible continuing 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 charity's P&O service currently based at the 500 miles KCH P&O Centre in Malawi and in Zambia, of 500 miles' low-level P&O service which is operating at St Francis Hospital.

Other Activities

As reported above, 500 miles has declared that the BIG dinner 2 is the charity's final community appeal, albeit that the appeal does not have an end date. Therefore, although the charity will continue to (1) encourage one off and regular donations, including regular donations to One Smile from the community and (2) encourage and support third-party fundraising in the community, it will move its focus to applying for funding to trusts and foundations which support international work for the benefit of people with disabilities.

500 miles will 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.

A comprehensive newsletter will be produced in November 2022.

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).

STRUCTURE GOVERNANCE AND MANAGEMENT (continued)

The original constitution was updated on 29 June and 8 July 2008, 1 May 2011, 22nd January 2020 and 19th July 2021. 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.

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 one expatriate as a full-time manager of its project in Malawi as well as the services of six 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 31st December.



LEGAL & ADMINISTRATIVE INFORMATION

CHARITY NAME	500 miles
CHARITY NUMBER	SC038205
TRUSTEES	Susan Dalgety Susan Davie Robin Garrett Olivia Giles (Chairman, Treasurer and Executive Officer) Jane Salmonson Shruti Turner (appointed on 20 th July 2021)
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 10th April 2022 and signed on their behalf by:

A handwritten signature in cursive script that reads "Olivia Giles".

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 2021 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 Regulationshave 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.

A handwritten signature in black ink, appearing to read "M. W. Barnish", written over a horizontal line.

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



STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 December 2021

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £	Total 2020 £
INCOME FROM					
Donations	2	109,319	29,876	139,195	103,405
Charitable activities	3	9,385	-	9,385	13,944
Investment income	4	272	-	272	1,001
TOTAL INCOME		118,976	29,876	148,852	118,350
EXPENDITURE ON:					
Raising funds		12,235	2,500	14,735	4,237
Charitable activities	5	85,750	41,883	127,633	120,816
TOTAL EXPENDITURE		97,985	44,383	142,368	125,053
NET INCOME / (EXPENDITURE)		20,991	(14,507)	6,484	(6,703)
Transfers between funds					-
NET MOVEMENT IN FUNDS	15	20,991	(14,507)	6,484	(6,703)
Total Funds Brought Forward		235,374	32,633	268,007	274,710
TOTAL FUNDS CARRIED FORWARD		256,365	18,126	274,491	268,007

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 2021

	Note	Total Funds 2021 £	Total Funds 2020 £
CURRENT ASSETS			
Debtors	11	-	-
Cash at bank & in hand		274,491	268,007
		<u>274,491</u>	<u>268,007</u>
LIABILITIES			
Creditors amounts falling due within one year	12	-	-
		<u>-</u>	<u>-</u>
NET CURRENT ASSETS		274,491	268,007
Creditors amounts falling due after one year		-	-
		<u>-</u>	<u>-</u>
TOTAL NET ASSETS		<u>274,491</u>	<u>268,007</u>
THE FUNDS OF THE CHARITY			
Restricted income funds	15	18,126	32,633
Designated funds	15	108,546	91,567
General unrestricted funds		147,819	143,807
TOTAL CHARITY FUNDS	15	<u>274,491</u>	<u>268,007</u>

The financial statements on pages 18 to 27 were approved by the board of trustees on 10th April 2022 and signed on its behalf by:

Olivia Giles

O Giles
Chairman



STATEMENT OF CASH FLOWS
For the year ended 31 December 2021

	Note	2021		2020	
		£	£	£	£
Cash flows from operating activities:	A				
Net cash provided by operating activities			7,179		(6,691)
Cash flows from investing activities:					
Interest received		272		1,001	
Net cash provided by investing activities		<u>272</u>	272	<u>1,001</u>	1,001
Cash flows from financing activities		<u>-</u>		<u>-</u>	
Net cash provided by (used in) financing activities					
Change in cash & cash equivalents in the reporting period			7,451		(5,690)
Cash & cash equivalents at the beginning of the year			268,007		274,710
Change in cash & cash equivalents due to exchange rate movements			(967)		(1,013)
Cash & cash equivalents at the end of the reporting period	B		<u>274,491</u>		<u>268,007</u>

NOTES TO THE STATEMENT OF CASH FLOWS

A. Reconciliation of net income to net cash flow from operations		Total Funds 2021 £	Total Funds 2020 £		
Net income for the reporting period (as per the statement of financial activities)		7,451	(5,690)		
Interest		(272)	(1,001)		
Decrease in debtors		-	-		
(Decrease)/increase in creditors		-	-		
Net cash provided by operating activities		<u>7,179</u>	<u>(6,691)</u>		
B. Analysis of cash and cash equivalents		At 1 January 2021 £	Cash flows 2021 £	Other changes 2021 £	At 31 December 2021 £
Cash in hand		268,007	6,484	-	274,491
Total cash & cash equivalents		<u>268,007</u>	<u>6,484</u>	<u>-</u>	<u>274,491</u>



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 2021 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 Central Hospital and until 30th June 2021, Mzuzu Central Hospital and funding outreach services.
 - Zambian project: the costs of delivering 'low level' P&O devices to poor people at St Francis Hospital and paying for a few P&O devices to be supplied by UTH to poor people recommended to the charity by known third parties.
 - 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 2021

1. DETAILED COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds 2020	Restricted Funds 2020	Total Funds 2020
	£	£	£
INCOME FROM			
Donations	44,706	58,699	103,405
Charitable activities	13,944	-	13,944
Investments	1,001	-	1,001
	<hr/>	<hr/>	<hr/>
TOTAL INCOME	59,651	58,699	118,350
	<hr/>	<hr/>	<hr/>
EXPENDITURE ON:			
Raising funds	4,237	-	4,237
Charitable activities	92,348	28,468	120,816
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURE	96,585	28,468	125,053
	<hr/>	<hr/>	<hr/>
NET INCOME	(36,934)	30,231	(6,703)
	<hr/>	<hr/>	<hr/>
Transfers between funds	10,271	(10,271)	-
	<hr/>	<hr/>	<hr/>
NET MOVEMENT IN FUNDS	(26,633)	19,960	(6,703)
	<hr/>	<hr/>	<hr/>
Total Funds Brought Forward	262,037	12,673	274,410
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS CARRIED FORWARD	235,374	32,633	268,007
	<hr/>	<hr/>	<hr/>

2. DONATIONS	Unrestricted Funds 2021	Restricted Funds 2021	Total Funds 2021	Total Funds 2020
	£	£	£	£
Individuals & Corporates	68,819	22,376	91,195	92,905
Charitable Trusts	40,500	7,500	48,000	10,500
	<hr/>	<hr/>	<hr/>	<hr/>
Donations	109,319	29,876	139,195	103,405
	<hr/>	<hr/>	<hr/>	<hr/>

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

NOTES TO THE FINANCIAL STATEMENTS
For the 12 months ended 31 December 2021

3. INCOME FROM CHARITABLE ACTIVITIES	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Malawi Project, device sales	9,385	-	9,385	13,944
4. INCOME FROM INVESTMENTS	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Bank interest	272	-	272	1,001
5. EXPENDITURE ON CHARITABLE ACTIVITIES	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Malawi project	84,167	33,240	117,407	96,576
Zambian project	1,949	6,643	8,592	13,352
Quality Improvement Project	-	-	-	8,698
Flyspec project	-	2,000	2,000	-
Support Costs (note 6)	(616)	-	(616)	1,552
Governance costs (note 7)	250	-	250	236
	85,750	41,883	127,633	120,816

Within the above expenditure, there is a total of £17,136 training expenditure (2020: £9,220).

6. SUPPORT COSTS	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Bank Charges	351	-	351	539
Exchange rate differences	(967)	-	(967)	1,013
	(616)	-	(616)	1,552

NOTES TO THE FINANCIAL STATEMENTS

For the 12 months ended 31 December 2021

7. GOVERNANCE COSTS	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Trustee Expenses	-	-	-	-
Administration	250	-	250	236
Audit	-	-	-	-
	250	-	250	236

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 (2020: None) and no related third party transactions occurred.

10. AUDIT FEES (included in governance costs in note 5 above)	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Audit Fees	-	-	-	-

11. DEBTORS	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Accrued income	-	-	-	-

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Accruals	-	-	-	-



13. ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
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Net current assets	256,365	18,126	274,491
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14. 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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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 £
Restricted funds					
Training - Malawi	8,153	232	(7,897)		488
Training - Zambia	-	7,500	(6,644)		856
Flyspec	2,000	-	(2,000)		-
Quality Improvement Project	16,782	-	-		16,782
Fundraising	2,500	-	(2,500)		-
One Smile	3,198	22,144	(25,342)		-
Total restricted funds	32,633	29,876	(44,383)		18,126
Unrestricted funds					
Designated funds	91,567		(91,567)	108,546	108,546
General funds	143,807	118,976	(6,418)	(108,546)	147,819
Total unrestricted funds	235,374	118,976	(97,985)		256,365
TOTAL FUNDS	268,007	148,852	(142,368)	-	274,491



NOTES TO THE FINANCIAL STATEMENTS

For the 12 months ended 31 December 2021

RESTRICTED FUNDS

Training - Malawi

The income of £232 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 was made to FlySpec in January 2021 in respect of 2020 which concluded the activity through FlySpec.

Quality Improvement Project

Funds received from Johnson & Johnson are now held to support the quality management system for the charity's P&O service at the 500 miles KCH P&O Centre. Due to the impact of Coronavirus, this work was put on hold during 2020 and 2021 and will be continued in 2022.

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

The funds of £2,500 were for a particular donor's fundraising activity and have now been expended.

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 2022 to fund certain expenditure relating to the projects detailed in the trustees' report, in respect of (1) the manager working at the 500 miles KCH P&O Centre in Malawi, (2) the annual stock purchase and shipping for the 500 miles KCH P&O Centre, (3) the annual running costs for the 500 miles KCH P&O Centre, (4) monthly payments to one Zambian, (5) the annual stock purchase for the project at SFH and (6) the training of three students in Cambodia, India and Thailand. These commitments have been assessed to total £108,546 and will be discharged over the course of that financial year.