



500 miles
(Charitable Association)

ANNUAL REPORT
AND
FINANCIAL STATEMENTS

31 December 2022



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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 2022.

The Legal and Administrative information set out on page 14 [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 as we have emerged from the effects of the Coronavirus pandemic 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. 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.
3. Planning and payment for the training of Malawians and Zambians in prosthetics and orthotics, at The Cambodian School of Prosthetics and Orthotics ("CSPO"), Sirindhorn School of Prosthetics and Orthotics ("SSPO") and Mobility India, with a view to their deployment in 500 miles' projects, including payment of fees, living allowances and travel costs.
4. Fundraising and support of third party fundraising for the charity.

ACHIEVEMENTS AND IMPACT

Malawi

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 the Ministry of Health of Malawi ("**MoH Malawi**") or by income to the centre from third party sources.

(1) Production was consolidated and increased. The total number of patients treated in 2022 was 1,533 compared with 1,251 in 2021, 1,211 in 2020, 1,412 in 2019, 1,665 in 2018 and 1,452 in 2017.



ACHIEVEMENTS AND IMPACT (continued)

1,296 new P&O devices were delivered in 2022, compared with 1,042 in 2021, 959 in 2020, 874 in 2019, 1,294 in 2018 and 1,104 in 2017, which represents an average of 105.8 new devices a month compared with an average of 86.8 in 2021, 79.9 in 2020, 72.8 in 2019, 107.8 in 2018 and 92 in 2017. The 500 miles KCH P&O Centre had 8,795 registered patients as at the end of 2022, up 658 from 8,137 at the end of 2021.

This means that capacity and production rates were considerably higher than for 2021 and have almost caught up with the capacity and production rates in 2018 which are the highest recorded. The lower rates in 2020 and 2021 are mainly as a direct result of Coronavirus and production was 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 rate of increase in the number of new patients registered each year is slowing as the 500 miles KCH P&O Centre has become established over the last 14 years and the majority of our patients each month are returning patients.

500 miles funded the vast majority of the costs of these 1,296 new devices which were supplied to individuals who were unable to pay for themselves. The charity used the One Smile fund and unrestricted income to meet these costs.

(2) When the restrictions imposed as a result of Coronavirus falling away at the beginning of the year, the charity was able to resume its outreach work with some of its regular partners. 500 miles participated in a heavy multidisciplinary outreach programme with three of our principal partners, visiting 7 sites in central region, all but one of them twice. In addition, the charity ran one small outreach with a regular partner in March and a large one with a potential new partner in November. However, when we could not deliver outreach during the pandemic, some of 500 miles' regular partners got used to making competent ad hoc referrals, and by agreement with the charity, they have continued to do that in place of hosting outreaches. We have acquired two new partners which have signed memoranda of understanding with 500 miles. Therefore, although the amount of outreach activity has reduced since before the pandemic, the volume of partner referrals has not.

(3) 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 during 2019. Johnson & Johnson covered 75% of the costs of phase 1 of the programme as a result of which the QMS manual was substantially created and implemented. 500 miles secured a further grant from Johnson & Johnson to cover 64% of the costs of phase 2 of the project but the QIC was unable to deliver the programme in 2020 or 2021 due to Coronavirus or in 2022 due to a decision, supported by Johnson & Johnson, to postpone phase 2 until the charity had moved its P&O service into the rehabilitation section of the LION complex (see paragraph (4) below), a move which was expected to take place by August 2022 but then didn't. Although the practice and audit of the QMS at the 500 miles KCH P&O Centre 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 agreed to postpone the end date for the project until 30th June 2023 and will probably extend it again.

(4) 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. 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 seriously delayed by the impact of Coronavirus and other construction issues which are out of the charity's control, but is now scheduled for December 2023.



ACHIEVEMENTS AND IMPACT (continued)

(5) 500 miles has continued to integrate and align its P&O service at the 500 miles KCH P&O Centre with associated and complimentary health services at KCH as these services will also move to the LION complex.

(6) In preparation for the move to LION complex, the charity has been (1) 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, leaving only one qualified technician unemployed by MoH Malawi and (2) working with LION to order the equipment required to operate the charity's P&O service at the new premises and to integrate the charity's records and reports systems with LION's digital record keeping system.

(7) The charity had nominated a 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. Due to travel restrictions imposed as a result of Coronavirus, the student had to study online until the charity was able to facilitate his travel to Cambodia at the end of February 2022. The course was extended to allow students to catch up on the practical element of the course and he qualified in August.

(8) 500 miles began sponsoring the holder of a 3-year diploma in orthopaedic technology who was working at the 500 miles KCH P&O Centre to upgrade that qualification to a bachelor's degree by undertaking a two-year residential course at SSPO beginning in August 2022.

(9) 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. It has been enforced throughout the year in order to increase the self-sufficiency of the charity's P&O service by maximising its externally derived, in-country income.

The externally derived income generated by the 500 miles KCH P&O Centre in 2022 was £10,401. The externally derived income generated by the charity in Malawi was £9,385 in 2021, £13,944 in 2020 and £16,449 in 2019. These figures from previous years cannot be compared directly with £10,401 in 2022, partly because they include the income generated at the 500 miles Prosthetic and Orthotic Centre at Mzuzu Central Hospital ("MCH") (which has usually accounted for approximately a third of the externally derived income in Malawi) down to the end of May 2021, shortly after which the charity ceased managing that centre, and partly because the 2020 and 2021 figures are depressed as a result of a reduction in demand for and production of P&O devices due to Coronavirus. Nevertheless, it is clear that the figure achieved by way of income in 2022 by the 500 miles KCH P&O Centre alone is (1) significantly higher than the figure that centre generated in 2021 and higher than the figure generated by that centre in 2020, (2) comparable with, if a little lower than the level of income generated by that centre in 2019 before it was affected by Coronavirus and (3) represents a sustained level of income considering that the effects of Coronavirus were still being felt at the beginning of 2022.

500 miles has secured two new third party partners which have signed memoranda of understanding under which they will contribute to the cost of devices supplied to the patients they refer.

As a result of the charity's work at the 500 miles KCH P&O Centre, people all over Malawi, but particularly in the central region, have a P&O service which they can access or can be assisted to access. In the period under review, despite the lingering impact of Coronavirus, 1,533 patients received 1,296 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



ACHIEVEMENTS AND IMPACT (continued)

life benefits for future generations in Malawi. The 500 miles Prosthetic and Orthotic centre at MCH was fully handed over to MCH in 2021 and during the period under review, 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 149 patient appointments (133 in 2021, 143 in 2020 and 141 in 2019), and fitted 89 devices to 50 local patients (91 devices to 57 local patients in 2021, 81 devices to 56 local patients in 2020 and 69 local patients in 2019). She also carried out repairs for 53 patients compared with 46 in 2021, 53 in 2020 and 36 in 2019. The volume of devices delivered and repairs carried out in 2022 is consistent with that of the last three years. As it has become better known, the demand for this service has continued and even grown since it was started by the charity in 2017, with new patients visiting each year and many patients returning for regular replacement of their simple devices and for repairs. However, the number of consultations has increased. These consultations were with a growing backlog of people (174) who need their first or replacement prostheses or more complex orthoses which our representative at St Francis Hospital is not able to supply. During the year under review, she identified 33 new patients (30 in 2021 and 24 in 2020) as needing such P&O devices but was unable to refer any of them to the P&O department at the University Teaching Hospital in Lusaka ("UTH") because the Ministry of Health in Zambia ("MoH Zambia") has not supplied it with stock or materials to make them.

The charity continued to fund 500 miles' original representative at St Francis Hospital to study at Mobility India for a three-year diploma which he completed in June 2022. He has returned to Zambia and although he requires to pass a biology exam before he can be registered with the Zambia regulatory authority as a prosthetist/orthotist, 500 miles supported him to secure a voluntary position in the P&O department at UTH and is giving him a living allowance so that he does not leave the profession and will maintain his professional skills until he can be employed by the MoH in Zambia.

The charity's work in Zambia during the year under review has been purely humanitarian and at a low ebb, but 50 Zambians, all on low or no incomes, have been fitted with simple orthotic devices and 53 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 grown and become well established as a source of P&O assistance in eastern province.

Training

500 miles continued to fund the training of Malawian and Zambian orthopaedic technologists at CSPO, SSPO and at Mobility India. 20 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.

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.



ACHIEVEMENTS AND IMPACT (continued)

Sponsoring training from 5 schools in 5 countries (Tanzania, Cambodia, India, Germany and Thailand) 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

During the period under review, the charity continued to ask for support for its open-ended, final community appeal to raise £262,500 which is the equivalent of the cost of 1,500 average prostheses or orthoses. By the end of the year £190,000 had been raised, up £95,000 from the end of 2021.

There was a limited update of charity's website in April and a substantial newsletter was issued at the beginning of November.

The charity posted a patient story on Facebook approximately once a week for most of the year.

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 £15,781 in 2022 (£17,618 in 2021, £14,541 in 2020 and £15,461 in 2019).

Several third-party fundraisers were supported during the year under review and the charity was promoted at 8 public talks, three of them online.

FINANCIAL REVIEW

Results for the period

During this accounting period, income was strong at £163,651 (2021, £148,852; 2020, £118,350; 2019, £100,263). The increase from recent years is mainly due to a legacy of £40,000 and the charity's final community appeal.

Of the total income for 2022, donations totalling £66,832 were restricted in nature, the majority of these being split between One Smile (£36,832) and training (£30,000).

This is the twelfth 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 £15,781 was raised in this financial period (2021, £17,618; 2020, £14,541; 2019, £15,461 and 2018, £16,007). (These are in addition to other one-off donations to One Smile.) The decrease on last year is mainly due to the loss of two large regular commitments.

The amount of externally derived income raised from device sales (including the fixed contribution of KCH) through the 500 miles KCH P&O Centre was £10,401. The externally derived income generated by the charity in Malawi was £9,385 in 2021, £13,944 in 2020 and £16,449 in 2019. These figures from previous years cannot be compared directly with £10,401 in 2022, partly because they include the income generated at the 500 miles Prosthetic and Orthotic Centre at MCH (which has usually accounted for approximately a third of the externally derived income in Malawi) down to the end of May 2021, and partly because the 2020 and 2021 figures are depressed as a result of a reduction in demand for and production of P&O devices due to Coronavirus. Nevertheless, it is clear that the figure achieved by way of income in 2022 by the 500 miles KCH P&O Centre alone (1) is significantly higher than the figure that centre generated in 2021 and higher than the figure generated by that centre in 2020, (2) is comparable with, if a little lower than the level of income generated by that centre in 2019 before it was affected by Coronavirus and (3) represents a sustained level of income considering that the effects of Coronavirus were still being felt at the beginning of 2022.



FINANCIAL REVIEW (continued)

Expenditure on charitable activities totalled £124,951 (2021, £127,633; 2020, £120,816; and 2019, £231,286). This has been incurred principally in relation to:

- (1) the running costs of the 500 miles KCH P&O Centre in Malawi
- (2) funding the delivery of a low-level P&O service in Katete, Zambia
- (3) continuing sponsorship of the training of staff for 500 miles' projects in Malawi and Zambia.

Expenditure on charitable activities in 2021 is consistent with that of the two previous years but the expected reduction in expenditure as a result of the charity having ceased to manage the 500 miles Prosthetics and Orthotics Centre at MCH at the end of June 2021 and the lower costs in Zambia in 2022, were off-set by the increased costs of running the 500 miles KCH P&O Centre. The decrease in expenditure on charitable activities compared with 2019, is also due to there having been no expenditure on the charity's quality improvement project since 2019.

Expenditure on raising funds was low at £2,179 (2021, £14,735; 2020, £4,237 and 2019, £4,947). This was because the costs of running the charity's fundraiser and final community appeal were all expended in 2021 and the charity did not hold any other fundraising activities during the period under review.

Expenditure for this financial year totalled £127,130 (2021, £142,368; 2020, £125,053 and 2019, £236,233).

After deducting total expenditure, the net movement on funds for the financial year was £36,521 (2021, £6,484; 2020, (£6,703) and 2019 (£135,970)), giving total funds carried forward of £311,012 (2021, £274,491; 2020, £268,007 and 2019, £274,710). Of these £164,537 (2021, £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 2022 accounts. In addition, there is a non-contractual funding commitment in respect of one student which again does not represent a liability as defined in paragraphs 7.5 to 7.7 of the Charities SORP (FRS102).

As above, 500 miles intends to hand over the P&O service that it runs at the 500 miles KCH P&O Centre to MoH Malawi and LION in accordance with the charity's long-term plan. The likely timescale for this is the end of 2024. Between now and then, it is likely that the charity and MoH Malawi/LION will make reciprocal commitments to each other to try to secure the long-term sustainability of the P&O service. Any commitments made by 500 miles will be assessed according to the charity's actual reserves at the time and expressed to be unenforceable statements of intent.

The charity still holds restricted funds of £16,782 from Johnson & Johnson towards the completion of the charity's QMS project which is now estimated will cost up to £35,000. There is therefore an expectation that the balance of up to £18,218 will be spent on this project from the charity's unrestricted funds and this expenditure has been included in the designated fund referred to below.

The trustees consider that, as at the balance sheet date, there is more than a one-year funding commitment for 2023. 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 £89,108. 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 possibility of declining future income generation as the charity moves into its final phase. The estimated annual



FINANCIAL REVIEW (continued)

core costs for the activities of 500 miles' projects in the next financial period are £155,990 including the designated fund.

Reserves are therefore adequate relative to the projected budget for 2023 and will support the charity into 2024. After the charity has handed over its P&O service in Malawi as above, the nature and extent of the charity's core activities is likely to change. Any financial commitments in respect of the period after the handover will be made according to the charity's available reserves at the time.

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 has only adequate 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.

It is anticipated that, possibly due to the medium and long-term effects of Coronavirus and the economic climate generally, individual fundraising by supporters and both regular and ad hoc donations may continue to be affected by a reduction in donors' personal circumstances and there is little confidence in the charity being able to raise much funding from trusts and foundations.

Expenditure in 2023 is likely to be higher than for 2022 for two main reasons. There is likely to be major expenditure on the charity's QMS project which has been in abeyance for the last three years. The charity is fully committed to carrying out this project because it is crucial for the long-term sustainability of its P&O service in Malawi. Johnson & Johnson made a grant towards the costs of completing phase 2 of this project in May 2020 but unfortunately, the costs of completing this project have increased significantly since it was first budgeted. When 500 miles moves into the new premises at LION, there will inevitably be one-off set up costs. The anticipated exceptional expenditure for these two reasons will be in addition to the costs of continuing the charity's principal activities which will be consistent with those of 2021 because demand for P&O services and consumption of stock is consistently 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.

Despite the prospect of reduced income and increased expenditure, it is hoped that the charity's reserves which have been boosted by the legacy of £40,000 in the year under review, will sustain the charity through a period of exceptional higher expenditure aimed at achieving its main aim of handing over its P&O service in Malawi to MoH Malawi. Although there is a risk that the charity's reserves will be significantly depleted in the lead up to this handover, it should be recognised that the charity is in the final phase of its core objectives and that, although the charity intends to continue to support its projects after this handover, the nature of its operations and of its financial support will change materially. In particular, financial support will be limited to available reserves.

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



RISK MANAGEMENT (continued)

- 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. All staff and trustees sign the safeguarding code of conduct, new staff are inducted in the policy and all staff are regularly reminded of it.

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 2023 and 2024 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 travelling.

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

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) Increase the self-sufficiency of the charity's P&O service by increasing and maximising externally derived 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.
- (2) Consolidate and increase production.



PLANS FOR THE FUTURE AND ASSOCIATED RISKS (continued)

- (3) 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.
- (4) Improve the quality of the service it provides by (a) finding a replacement QIC, (b) completing and implementing the QMS and (c) arranging two or more visits 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.
- (5) Move into the rehabilitation section of the LION complex as soon as it has been completed (currently scheduled for December 2023) and continue to work with LION to facilitate that move.
- (6) Continue to integrate its P&O service with KCH's associated and complimentary health services until the move to the LION complex and then with LION's health services and systems.
- (7) 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.
- (8) Discuss and document with LION the route, stages and timescale for handover of the charity's P&O service to LION.
- (9) Continue to sponsor the holder of a 3-year diploma in orthopaedic technology who is undertaking year one of a two-year residential course with SSPO to upgrade that qualification to a degree in P&O.
- (10) Consider sponsoring the receptionist to undertake a diploma level course in administration

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, are:

- (i) The charity not being able to find or generate enough in-country income at the 500 miles KCH P&O Centre. This would threaten the long-term sustainability of the charity's P&O service after its handover to MoH Malawi and LION.*
- (ii) The expatriate manager becoming ill, not performing well or leaving without sufficient notice. This is a severe risk as the chances of finding and securing a suitable replacement are very limited.*
- (iii) The QIC becoming ill, not performing well or being otherwise unable to complete the quality improvement project. This was not a cause of the delay in the implementation of the QMS, but at the very end of 2022, the charity's original QIC was diagnosed with a severe illness. She was a key woman and will be extremely hard to replace so this is a serious risk to the completion and implementation of the QMS.*
- (iv) The costs of completing the QMS project continuing to rise.*
- (v) The personnel at the centre not being willing or able to comply with the QMS.*
- (vi) The construction of the rehabilitation section of the LION complex being significantly delayed.*
- (vii) 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.*
- (viii) The student studying for a degree with SSPO failing to return and regain entry to Thailand to complete his course after taking a holiday in the summer of 2023.*
- (ix) MoH Malawi not honouring the existing memorandum of understanding with 500 miles.*
- (x) Lack of cooperation from KCH in working towards the integration of the charity's P&O service with KCH's associated and complimentary health services.*
- (xi) 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 systems 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.*
- (xii) Major accident or injury to non-MoH Malawi personnel.*

Zambia

500 miles will continue to support a student who, with full sponsorship from 500 miles, qualified with a 3-year diploma in orthopaedic technology from Mobility India in July 2022, to secure



PLANS FOR THE FUTURE AND ASSOCIATED RISKS (continued)

permanent employment 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. This support will include a living allowance.

500 miles will probably continue to fund low-level P&O services (repairs and adjustments and simple orthoses) at St Francis Hospital.

If the P&O department at UTH comes into stock and materials for the fabrication of low cost P&O devices, the charity will 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, including St Francis Hospital, 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 in Zambia are:

- (i) The student sponsored by 500 miles cannot secure permanent employment.*
- (ii) St Francis Hospital does not support 500 miles' low-level P&O service.*
- (iii) Poor performance by the charity's representative at St Francis Hospital.*
- (iv) UTH continues not to hold stock and materials for the manufacture of low cost P&O devices and/or such devices are priced too high.*
- (v) Lack of control over the quality of the P&O services supported by 500 miles.*

Training

500 miles will continue to fund the training of Malawian 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.

Other Activities

500 miles will continue to run its final community appeal in the hope that it will reach its target of £262,500 before the charity hands over its P&O service currently run at the 500 miles KCH P&O Centre to MoH Malawi and LION. 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 and it will apply 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 QMS project as soon as possible.

A comprehensive newsletter will be produced in November 2023.

The charity's Facebook page will be maintained, its website will be kept up to date and, if 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, 22 January 2020 and 19 July 2021. The constitution is considered by the trustees on an annual basis.

STRUCTURE GOVERNANCE AND MANAGEMENT (continued)



STRUCTURE GOVERNANCE AND MANAGEMENT (continued)

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 14](#).

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 part-time manager of its project in Malawi as well as the services of four 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 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
SECRETARY	Olivia Giles
PRINCIPAL ADDRESS AND REGISTERED OFFICE	Box 500 44-46 Morningside Road Edinburgh EH10 4BF
BANKERS	Coutts & Co 440 Strand London WC2R 0QS 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 17th May 2023 and signed on their behalf by:

A handwritten signature in blue ink 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 2022 which are set out on pages 17 to 26.

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".

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

22nd MAY 2023



STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 December 2022

	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £	Total 2021 £
INCOME FROM					
Donations	2	86,323	66,832	153,155	139,195
Charitable activities	3	10,401	-	10,401	9,385
Investment income	4	95	-	95	272
TOTAL INCOME		96,819	66,832	163,651	148,852
EXPENDITURE ON:					
Raising funds		2,179	-	2,179	14,735
Charitable activities	5	67,360	57,591	124,951	127,633
TOTAL EXPENDITURE		69,539	57,591	127,130	142,368
NET INCOME		27,280	9,241	36,521	6,484
Transfers between funds		-	-	-	-
NET MOVEMENT IN FUNDS	15	27,280	9,241	36,521	6,484
Total Funds Brought Forward		256,365	18,126	274,491	268,007
TOTAL FUNDS CARRIED FORWARD		283,645	27,367	311,012	274,491

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 20 to 26 form part of the financial statements.

500 miles (Charitable Association)



BALANCE SHEET As at 31 December 2022

	Note	Total Funds 2022 £	Total Funds 2021 £
CURRENT ASSETS			
Debtors	11	-	-
Cash at bank & in hand		311,012	274,491
		<u>311,012</u>	<u>274,491</u>
LIABILITIES			
Creditors amounts falling due within one year	12	-	-
		<u>-</u>	<u>-</u>
NET CURRENT ASSETS		<u>311,012</u>	<u>274,491</u>
Creditors amounts falling due after one year		-	-
		<u>-</u>	<u>-</u>
TOTAL NET ASSETS		<u><u>311,012</u></u>	<u><u>274,491</u></u>
THE FUNDS OF THE CHARITY			
Restricted income funds	15	27,367	18,126
Designated funds	15	89,108	108,546
General unrestricted funds		194,537	147,819
TOTAL CHARITY FUNDS	15	<u><u>311,012</u></u>	<u><u>274,491</u></u>

The financial statements on pages 17 to 26 were approved by the board of trustees on 17th May 2023 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 2022

	Note	2022		2021	
		£	£	£	£
Cash flows from operating activities:	A				
Net cash provided by operating activities			37,013		5,245
Cash flows from investing activities:					
Interest received		95		272	
Net cash provided by investing activities			95		272
Cash flows from financing activities		-		-	
Net cash provided by (used in) financing activities					
Change in cash & cash equivalents in the reporting period			37,108		5,517
Cash & cash equivalents at the beginning of the year			274,491		268,007
Change in cash & cash equivalents due to exchange rate movements			(587)		967
Cash & cash equivalents at the end of the reporting period	B		311,012		274,491

NOTES TO THE STATEMENT OF CASH FLOWS

A. Reconciliation of net income to net cash flow from operations			Total Funds 2022	Total Funds 2021
			£	£
Net income for the reporting period (as per the statement of financial activities)			37,108	5,517
Interest			(95)	(272)
Decrease in debtors				-
(Decrease)/increase in creditors				-
Net cash provided by operating activities			37,013	5,245

B. Analysis of cash and cash equivalents	At 1 January 2022	Cash flows 2022	Other changes 2022	At 31 December 2022
	£	£	£	£
Cash in hand	274,491	36,521	-	311,012
Total cash & cash equivalents	274,491	36,521	-	311,012



NOTES TO THE FINANCIAL STATEMENTS For the 12 months ended 31 December 2022

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 services 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 2022 these comprised:
 - Malawian project: costs attributable to management, operation and funding of a P&O workshop and fitting of P&O devices to patients at Kamuzu Central Hospital, Lilongwe.
 - Zambian project: the costs of delivering 'low level' P&O devices to poor people at St Francis Hospital.
 - Training project: costs attributable to the ongoing training of Malawians and Zambians in Cambodia, Thailand 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 2022

1. DETAILED COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds 2021	Restricted Funds 2021	Total Funds 2021
	£	£	£
INCOME FROM			
Donations	109,319	29,876	139,185
Charitable activities	9,385	-	9,385
Investments	272	-	272
TOTAL INCOME	118,976	29,876	148,852
EXPENDITURE ON:			
Raising funds	12,235	2,500	14,735
Charitable activities	85,750	41,883	127,633
TOTAL EXPENDITURE	97,985	44,383	142,368
NET INCOME / (EXPENDITURE)	20,991	(14,507)	6,484
Transfers between funds	-	-	-
NET MOVEMENT IN FUNDS	20,991	(14,507)	6,484
Total Funds Brought Forward	235,374	32,633	268,007
TOTAL FUNDS CARRIED FORWARD	256,365	18,126	274,710

2. DONATIONS	Unrestricted Funds 2022	Restricted Funds 2022	Total Funds 2022	Total Funds 2021
	£	£	£	£
Individuals & Corporates	79,323	36,832	116,155	91,195
Charitable Trusts	7,000	30,000	37,000	48,000
Donations	86,323	66,832	153,155	139,195

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 2022

3.	INCOME FROM CHARITABLE ACTIVITIES	Unrestricted Funds 2022	Restricted Funds 2022	Total Funds 2022	Total Funds 2021
		£	£	£	£
	Malawi Project, device sales	10,401	-	10,401	9,385

4.	INCOME FROM INVESTMENTS	Unrestricted Funds 2022	Restricted Funds 2022	Total Funds 2022	Total Funds 2021
		£	£	£	£
	Bank interest	95	-	95	272

5.	EXPENDITURE ON CHARITABLE ACTIVITIES	Unrestricted Funds 2022	Restricted Funds 2022	Total Funds 2022	Total Funds 2021
		£	£	£	£
	Malawi project	61,713	56,735	118,448	117,407
	Zambian project	4,567	856	5,423	8,592
	Quality Improvement Project	-			-
	Flyspec project	-			2,000
	Support Costs (note 6)	754	-	754	(616)
	Governance costs (note 7)	326		326	250
		67,360	57,591	124,951	127,633

Within the above expenditure, there is a total of £28,446 training expenditure (2021: £17,136).

6.	SUPPORT COSTS	Unrestricted Funds 2022	Restricted Funds 2022	Total Funds 2022	Total Funds 2021
		£	£	£	£
	Bank Charges	167	-	167	351
	Exchange rate differences	587	-	587	(967)
		754	-	754	(616)

NOTES TO THE FINANCIAL STATEMENTS
For the 12 months ended 31 December 2022

7. GOVERNANCE COSTS	Unrestricted Funds 2022	Restricted Funds 2022	Total Funds 2022	Total Funds 2021
	£	£	£	£
Trustee Expenses	-	-	-	-
Administration	326	-	326	250
Audit	-	-	-	-
	326	-	326	250

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 (2021: None) and no related third party transactions occurred.

10. AUDIT FEES (included in governance costs in note 5 above)	Unrestricted Funds 2022	Restricted Funds 2022	Total Funds 2022	Total Funds 2021
	£	£	£	£
Audit Fees	-	-	-	-

11. DEBTORS	Unrestricted Funds 2022	Restricted Funds 2022	Total Funds 2022	Total Funds 2021
	£	£	£	£
Accrued income	-	-	-	-

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	Unrestricted Funds 2022	Restricted Funds 2022	Total Funds 2022	Total Funds 2021
	£	£	£	£
Accruals	-	-	-	-



NOTES TO THE FINANCIAL STATEMENTS
For the 12 months ended 31 December 2022

13.	ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
	Net current assets	283,645	27,367	311,012

14	ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
	Net current assets	256,365	18,126	274,491

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	488	30,000	(19,903)	-	10,585
	Training - Zambia	856	-	(856)	-	-
	Quality Improvement Project	16,782	-	-	-	16,782
	One Smile	-	36,832	(36,832)	-	-
	Total restricted funds	18,126	66,832	(57,591)	-	27,367
	Unrestricted funds					
	Designated funds	108,546	-	(67,360)	47,922	89,108
	General funds	147,819	96,819	(2,179)	(47,922)	194,537
	Total unrestricted funds	256,365	96,819	(69,539)	-	283,645
	TOTAL FUNDS	274,491	163,651	(127,130)	-	311,012



NOTES TO THE FINANCIAL STATEMENTS
For the 12 months ended 31 December 2022

NOTE 15 CONTINUED

RESTRICTED FUNDS

Training - Malawi

The income of £30,000 is from Shoezone and Johnson & Johnson towards the costs of training a named Malawian student.

Quality Improvement Project

Funds received from Johnson & Johnson are held to be applied to the completion and implementation of the QMS which has been created 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 2020-2022 and will be continued in 2023.

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.

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 2023 to fund, to the extent not covered by restricted funds held, 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) one off expenses that will necessarily be incurred in re-establishing the P&O service at LION, (5) one off costs of completing and implementing the QMS at the 500 miles KCH P&O Centre, (6) monthly payments to two Zambians, (7) the annual stock purchase for the project at SFH and (8) the training of a Malawian student in Thailand. These commitments have been assessed to total £89,108 and will be discharged over the course of that financial year.