



**500 miles**  
(Charitable Association)

ANNUAL REPORT  
AND  
FINANCIAL STATEMENTS

31 December 2018



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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 2018.

The reference 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, James Robb, Susan Dalgety, Jane Salmonson and Susan Davie.

## **OBJECTIVES AND ACTIVITIES**

The objects of the charity are:

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

During the accounting period these objectives to further the charity's purposes for the public benefit have been fulfilled through the following activities.

1. Ongoing management, operation and funding of the 500 miles Prosthetic and Orthotic Centre at Kamuzu Central Hospital ("KCH") in Lilongwe, Malawi ("**the 500 miles KCH P&O Centre**"). This orthopaedic workshop, built and established by 500 miles in 2008, prescribes, manufactures and fits prostheses and orthoses and aims to serve the whole of central region of Malawi.
2. Ongoing management, operation and funding of the 500 miles Prosthetic and Orthotic Centre at Mzuzu Central Hospital ("MCH") in Mzuzu, Malawi ("**the 500 miles MCH P&O Centre**"). This orthopaedic workshop, built and established by 500 miles in 2012, prescribes, manufactures and fits prostheses and orthoses and aims to serve the whole of northern region of Malawi.
3. Working in conjunction with University Teaching Hospital in Lusaka, Zambia ("UTH") to provide access to prosthetic and orthotic ("P&O") devices for poor people (1) attending UTH or (2) referred to it by (a) the charity, (b) the charity through St Francis Hospital in Katete (St Francis Hospital), (c) Beit CURE Hospital in Lusaka and (d) Chitokoloki Mission Hospital in Chitokoloki (Chitokoloki Mission Hospital).
4. The support and funding of the delivery of low level P&O services to poor people attending St Francis Hospital by directly funding an individual seconded there by 500 miles to provide this service and to arrange and facilitate referrals to from St Francis Hospital to UTH.
5. Planning and payment for the training of Malawians and Zambians in prosthetics and orthotics, at The Cambodian School of Prosthetics and Orthotics ("CSPO") and Mobility India and through Human Study e.V., with a view to their deployment in 500 miles' projects, including payment of fees, living allowances and travel costs.
6. Support of third party fundraising for the charity and the running of a fundraiser called the Malawi Cycle 2018.





### ACHIEVEMENTS AND IMPACT

#### **Malawi**

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

Externally derived income generated in Malawi was £22,179. It was £11,767 in 2017 and £14,495 in 2016. The apparent dip in 2017 was due to delays in the KCH and MCH contributions which are accounted for when received. These late payments were made good in 2018 and KCH and MCH paid their invoices more or less on time during 2018. Never-the-less, the income externally derived during 2018 represents a significant increase in local income which is essential for the long-term sustainability of the service.

Due to the termination in October 2016 of the FK Norway exchange programme, which had provided the charity with assurance on quality of its service, 500 miles commissioned a full review of the quality control and training needs of its personnel by an independent consultant in August 2018. The results showed that quality has slipped and so the charity appointed a quality improvement consultant to create and implement a quality improvement system at the 500 miles KCH P&O Centre and the 500 miles MCH P&O Centre during 2019 and beyond. This a major initiative both operationally and financially.

In June 2018, the charity arranged for on-site training of all of its personnel by an experienced American occupational therapist with a view to improving the quality of 500 miles' orthotic treatment of burns injuries.

500 miles continued to fund a former bench worker at the 500 miles KCH P&O Centre to study at CSPO for a three-year diploma.

During the review period 500 miles notified OSCR that one of our Malawian personnel (informally seconded to 500 miles by MoH Malawi) had been charged with assault of one of our patients. The man was suspended pending the outcome of his trial. He was acquitted in December 2018 but for other reasons he will not return to work at 500 miles. OSCR discharged the notifiable event in May 2019.

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

Capacity and production rate increased but this is partly due to a slight dip in 2017. The total number of patients treated was 1,665 compared with 1,452 in 2017 and 1,492 in 2016. 1,294 new P&O devices were delivered in 2018, compared with 1,104 in 2017 and 1,130 in 2016, which represents an average of 107.8 new devices a month compared with an average of 92 in 2017 and 94.2 in 2016.

The 500 miles KCH P&O Centre had 5,619 registered patients as at the end of 2018, up 104 from 5,515 at the end of 2017.

500 miles funded the vast majority of the costs of these 1,294 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's outreach programme with partners has been sustained and consolidated. 500 miles collaborated with 11 partners in central region in 2018.

Due to difficulties with local management, 500 miles did not carry out outreach in Kasungu District in 2018, an annual initiative which began in 2016.

500 miles' full-time rehabilitation technician continues to provide gait training and other support to patients around use of their devices.





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

The 500 miles KCH P&O Centre has continued to integrate and align its service with KCH and MoH Malawi. KCH began to pay invoices more regularly and to supply more local stock required by the 500 miles KCH P&O Centre and it appointed a Malawian receptionist who is on the MoH Malawi payroll to work at the 500 miles KCH P&O Centre. On the clinical side, 500 miles has developed a protocol for liaison between the burns unit, the physiotherapy department and 500 miles for the more effective treatment of patients with burns injuries.

MoH Malawi assumed one of the four bench workers (previously paid by 500 miles) onto the MoH Malawi payroll.

The appointment of a new Malawian manager in March 2018 did not work out. His contract was terminated in September 2018. The charity was able to arrange for a previous manager to step in whilst it took steps to recruit a replacement. In December 2018 the charity appointed a new Malawian manager in a 3-year post in pursuit of its stated aim of greater continuity of Malawian management.

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

Capacity and production rate has continued to increase at this centre. The total number of patients treated was approximately the same at 659 compared with 665 in 2017. However, 827 new P&O devices were delivered in 2018 compared with 777 in 2017, which represents an average of 68.9 new devices a month compared with an average of 64.7 in 2017. This is due to effective management and the vigorous pursuit of the outreach programme thus ensuring a continuous throughput of patients.

The 500 miles MCH P&O Centre had 2,010 registered patients as at the end of 2018, up 391 from 1,619 at the end of 2017.

500 miles funded or part funded the vast majority of the costs of these 827 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 has continued to work with two multi-disciplinary outreach programmes, in co-operation with five partners. It also receives ad hoc referrals from a few additional sources, including one new referrer.

500 miles has continued to deliver its own systematic sensitisation and outreach programme which is intended to educate as many key organisations and individuals in northern region as possible and to reach as many people with disabilities as possible. During this review period, coverage of the east of Mzimba South, the largest district in northern region, was completed, leaving just the south most part of Mzimba South. The charity also continued its revisiting programme (commenced in 2015) by which it returns systematically to areas that it first covered. During the period under review the charity continued revisiting the northern part of the east of Mzimba South.

500 miles has continued to integrate and align its P&O service with MCH and its services with excellent high-level cooperation with MCH and significant cross referral. MCH continued to pay invoices regularly and to supply more local stock required by the 500 miles MCH P&O Centre. The handover of the 500 miles MCH P&O Centre to MCH as at 1<sup>st</sup> July 2021 was discussed with the director of MCH.

MoH Malawi assumed both of the bench workers (previously paid by 500 miles) onto the MoH Malawi payroll.

**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**





### ACHIEVEMENTS AND IMPACT (continued)

regions have a P&O service which they can access or can be assisted to access. 500 miles has actively assisted more people, from a wider area to get access to and/or afford P&O devices. In the period under review, 2,324 patients received 2,121 devices.

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

The aim of 500 miles in Malawi is to create self-sufficient, sustainable P&O services that can be handed over to KCH, MCH and MoH Malawi - so as to secure the same quality of life benefits for future generations in Malawi. During the period under review the charity has done some important groundwork towards achieving this aim by further integrating the 500 miles KCH P&O Centre and the 500 miles MCH P&O Centre with KCH and MCH, by significantly increasing the in-country income and by continuing to increase the in-country skill base for MoH Malawi.

### **Zambia**

The new memorandum of understanding that 500 miles submitted to MoH Zambia in November 2016 (documenting the way in which the charity was working with UTH in practice, seeking MoH Zambia's formal endorsement of this and asking for its commitment to ring fence all income paid to UTH by 500 miles for the funding of the P&O department at UTH, without reducing MoH Zambia's existing support) has not received a response. Nevertheless 500 miles has continued to try to facilitate access to the P&O services of MoH Zambia for the benefit of people who cannot afford to pay for these services themselves, in the hope of convincing MoH Zambia of the long-term benefits of cooperation, as well as providing the humanitarian assistance.

After complete cessation of cooperation of the staff of UTH in May 2017, 500 miles has rebooted the system established in 2015, whereby people who cannot afford to pay for their own P&O devices, but who would not normally be supported by the Zambian government, can access P&O services at UTH under referral and with sponsorship from 500 miles, by re-engaging limited cooperation of the staff at UTH. In 2018, UTH made and fitted devices, the cost of which was sponsored by 500 miles for a total of 55 patients referred to it compared with 72 in the first four to five months of 2017. Only one was a local patient referred by UTH itself.

The charity has facilitated the revival of a system by which Beit CURE Hospital can refer its patients directly to UTH with sponsorship from 500 miles, although this has tended to be for more complex devices. 6 such patients were referred in 2018.

9 of the 55 referrals to UTH in 2018 were ad hoc referrals from individuals and organisations known to 500 miles.

500 miles continued to fund a representative of 500 miles to be based at St Francis Hospital to provide low-level P&O services (repairs and adjustments and simple orthoses) and to assess people who needed more complex treatment and refer those who could travel themselves for P&O treatment at UTH.

During the year under review, this man saw 161 patients, compared with 205 in 2017 and fitted 65 devices to local patients, compared with 78 in 2017. He also carried out repairs for 21 patients compared with 29 in 2017. The apparent drop off in activity is probably due to 2017 being the first year of the service, with many patients attending in the early months of 2017. However, 37 of the 55 referrals to UTH in 2018 were directly from this man, compared with 3 in 2017 (plus 18 who were treated on outreach by UTH to St Francis Hospital in 2017).





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

Due to lack of cooperation from UTH, the charity was unable to re-establish its practice of arranging and funding outreach trips through UTH to remote destinations.

500 miles continued to fund its former representative in Lusaka, who is employed by MoH Zambia, to study at Mobility India for a two-year diploma.

**Although strategic discussions with MoH Zambia are at an impasse and the future of 500 miles's activity in Zambia is uncertain, the restoration of some limited cooperation with the P&O department at UTH and the low level P&O service and referral service at St Francis Hospital have resulted in an increase in the charity's humanitarian work in Zambia. During the year under review, 112 Zambians, all on low or no incomes, have been fitted with prostheses and orthoses and 21 more have received repairs or adjustments to their devices, all leading to increased quality of life.**

### **Training**

500 miles continued to fund the training of Malawian and Zambian orthopaedic technologists to 3-year diploma level and degree level at CSPO, at Mobility India and at Human Study e.V.. 19 students have been sponsored by 500 miles for 21 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 prosthetic and orthotic 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 four schools in four countries (Tanzania, Cambodia, India and Germany) has widened the range of experience and practice being brought back into their 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**

Third party fundraising was supported and 500 miles organised and ran a fundraiser called The Malawi Cycle 2018 which raised approximately £65,000.

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 £15,312, (£14,118 in 2017).

The main charity leaflet was updated and reprinted in August 2018.

## **FINANCIAL REVIEW**

### **Results for the period**

During this accounting period, income increased to £253,891 (2017, £131,923, 2016, £139,402). The main reason for this increase is the Malawi Cycle 2018 fundraiser which generated a profit of £65,000 and the restricted fund held by way of a grant of £22,916 (\$30,000) from Johnson & Johnson which will be spent on the charity's new quality improvement project during 2019.

Of the total income for 2018, donations totalling £58,967 were restricted in nature, the majority of these being split between One Smile (£25,551) and the new quality improvement initiative (£22,916).





## **FINANCIAL REVIEW (continued)**

This is the eighth 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 £16,007 was raised in this financial period (2017, £14,118). (These are in addition to other one-off donations to One Smile.)

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 increased to £22,179 (2017, £11,767, 2016, £14,495 and 2015, £12,839). As previously noted on page 4, the apparent dip in 2017 was due to delays in the KCH and MCH contributions which are accounted for when received. Even after taking into account the increase resulting from KCH and MCH catching up on late payments and paying more or less on time during 2018, the underlying position is that the overall level of external device sales has increased.

Expenditure on charitable activities totalled £250,160 (2017, £243,311 and 2016, £250,636). 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 Mzuzu P&O Centre in Malawi
- (3) arranging and sponsoring the provision of P&O devices by UTH to individuals attending UTH in Lusaka, Zambia
- (4) funding the delivery of a low-level P&O service in Lusaka, Zambia from Beit CURE
- (5) funding the delivery of a low-level service in Katete, Zambia
- (6) continuing sponsorship of the training of staff and future staff for 500 miles' projects in Malawi and Zambia
- (7) the costs of a full quality and training needs assessment at the 500 miles MCH P&O Centre and the 500 miles KCH P&O Centre in Malawi.

Expenditure on raising funds increased to £31,807 (£8,535 in 2017 and £9,674 in 2016). This was mainly due to the advance outlays on the Malawi Cycle 2018 fundraiser, most of which were directly reimbursed by participants and which generated an overall net profit of approximately £65,000.

Expenditure for this financial year totalled £281,967 (2017, £251,846 and 2016, £260,310).

After deducting total expenditure, the net movement on funds for the financial year was (£28,076) (2017, (£119,923) and 2016, (£120,908)), giving total funds carried forward of £410,680 (2017, £438,756 and 2016, £558,679). Of these £371,897 (2017, £418,952 and 2016, £532,958) are unrestricted 'free' reserves 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 (and one loan to) the managers of the 500 miles KCH P&O Centre and the 500 miles Mzuzu Centre and one contract with Human Study e.V. to pay the fees and expenses a 3-year degree course for one student. These commitments are dependent on services provided or conditions being met and so are not provided for in the 2018 accounts. In addition, there are non-contractual funding commitments in respect of two further students which again do not represent liabilities as defined in paragraphs 7.5 to 7.7 of the Charities SORP (FRS102).

It is the trustees' view that there is, in effect, at least a one-year funding commitment for 2019, at the balance sheet date and an assessment of these 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 £104,500. Budgets have been established for each of the charity's chosen projects and it is the board's intention to maintain reserves sufficient to cover approximately 50% of the annual core costs of





### **FINANCIAL REVIEW (continued)**

the chosen projects currently being supported (after taking account of the designations above) as a buffer against any sudden downturn in future income generation. The estimated annual core costs for the activities of 500 miles' projects in the next financial period, after designations, are projected to be no more than £240,000.

Reserves are moderate relative to the projected budget. This is still due to a residual balance held on account of the BIG dinner fundraising initiative in 2015 but this was a "one-off" and is not something that can be repeated at the same level annually. It also resulted directly in a drop off in income in 2016 and 2017 with some remaining impact on income in 2018, masked by the income from the Malawi Cycle 2018. The charity works on a 4-5-year cycle for large fundraising pushes so the surplus generated in 2015 is still required to meet any deficit in year-on-year income over 2019 and even 2020.

The board is prepared to consider other projects, in particular the up-scaling of its support of the P&O service of MoH Zambia at UTH and/or at St Francis Hospital, including the re-establishment of its outreach service in Zambia with or through UTH, and in order to do so wishes to have some free reserves available. However, the board will not commence any new initiative (within the chosen projects or otherwise) unless a reasonable external commitment for the majority of the remaining funding required, particularly for any capital spend, has been obtained or a significant amount of funds raised.

The possible detrimental effect of the United Kingdom leaving Europe on the value of the GBP against the Euro and USD and even against the Malawi and Zambia Kwacha has been identified as significant risk to the charity's ability to carry out its operations.

On that basis, current surplus reserves will be used to supplement annual income to fund current projects over the coming years and, potentially, to fund new projects. The board will continue to review the level of reserves to ensure there is no excessive build up.

### **Investment policy**

The policy is to maximise the amount of interest that can be earned on any surplus funds by holding them in accounts offering the highest interest but with sufficient flexibility for the charity to be able to access them when needed. At the end of the accounting period the bulk of unutilised funds and other cash resources are held on a fixed term deposit account. A sufficient balance to meet foreseeable payments is held in the charity's operational account. The trustees do not believe it is appropriate to tie up funds in longer-term illiquid financial instruments when future fundraising can't be assumed in these times and because the returns will not compensate for loss of flexibility. The charity intends to maintain this policy of investing the bulk of the cash funds currently held but not immediately required, in similar, guaranteed fixed deposit account and interest earning bank accounts. 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**

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

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

**1. That it is unable to raise sufficient funding to follow through on the charity's plans.** At this time it still has moderate reserves as a result of the major community fundraising initiative, "the BIG dinner" in 2015. As a result, community fundraising dropped off in 2016, 2017 and 2018 but it should pick up again gradually. The charity plans to hold a large fundraiser in 2020 or 2021. Board member, Jane Salmonson, has considerable experience in fundraising in the international arena and will in future assist the Executive Officer to identify





### FINANCIAL REVIEW (continued)

and secure funding from external trusts and foundations to reduce the reliance on community funding. Given the balance at bank the charity is not currently actively pursuing this, but it is actively considering corporate support

2. **That African students who are funded for training fail to 'qualify' or leave the service.** To try to mitigate this risk, the charity bonds students for 5 years.

3. **That expatriate managers and local staff in Africa and/or professional help hired in the UK who are settled/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 for African staff. For expatriate staff working in Africa, where there is often less choice, the policy is to wait for the right person rather than to take just anyone to meet a need. The charity requires expatriate staff working in Africa to commit to a minimum period of 14 months although it is recognised that this is unenforceable. The charity is seeking to depend less on expatriate personnel.

4. **That patients (who are children or vulnerable adults or otherwise) and/or personnel working who come into contact with the charity suffer abuse of any kind as a result of such contact.** The charity has created a new safeguarding policy (including a safeguarding code of conduct, a patients' rights charter and a chaperone policy) which is to be adopted by the board and implemented during 2019. Training of all personnel around the new safeguarding policy will also take place.

A formal risk assessment is carried out annually.

### PLANS FOR THE FUTURE AND ASSOCIATED RISKS

#### **Malawi**

##### **The 500 miles KCH P&O Centre and the 500 miles Mzuzu P&O Centre**

500 miles plans to continue to manage, operate and fund the 500 miles KCH P&O Centre and the 500 miles Mzuzu P&O Centre, all with a view to facilitating handover of the charity's P&O service at both centres to MoH Malawi. In particular, the charity intends to:

- (1) Consolidate and increase production.
- (2) Consolidate, maintain and, where possible, expand the level of its outreach work and seek to work with additional new partners to achieve more thorough and comprehensive coverage of central and northern regions.
- (3) Continue with the charity's own systematic and comprehensive sensitisation and outreach programmes across northern region.
- (4) Re-start its annual outreach initiative in Kasungu District in central region begun in 2016 and continued in 2017.
- (5) Improve the quality of the service it provides by implementing the recommendations of the report on the review in August 2018 of 500 miles' quality control and the training needs of its personnel, including (a) creating and implementing a quality management system and (b) arranging four visits to the 500 miles KCH P&O Centre and the 500 miles MCH P&O Centre by its new quality improvement consultant.
- (6) Continue to integrate its P&O service with KCH and MCH and their services, and in particular to continue to liaise with the burns ward and the physiotherapy department at KCH for the benefit of patient with burns injuries.
- (7) At the 500 miles KCH P&O Centre, induct the recruited Malawian manager.
- (8) At the 500 miles MCH P&O Centre, elevate one of the orthopaedic technicians to the position of clinical leader.
- (9) Continue to integrate and align its P&O service with that provided by MoH Malawi, and in particular to have personnel currently paid by 500 miles assumed onto the MoH payroll,





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

(10) In conjunction with MoH, KCH and MCH, review and update the existing Memorandum of Understanding between MoH Malawi and 500 miles to document the route, stages and timescale for handover.

(11) At the 500 miles MCH P&O Centre, make a step change in progress towards handover by starting to work with MCH to forecast the income and expenditure of the facility post-handover.

(12) Increase the self-sufficiency of the 500 miles KCH P&O Centre and the 500 miles MCH P&O Centre by maximising income through (a) finding new sources of third party income, (b) finding new third party partners to contribute to the cost of devices and (c) increasing the amount that existing third party partners contribute towards the cost of devices.

***The main risks specific to 500 miles' plans for both the 500 miles KCH P&O Centre and the 500 miles Mzuzu P&O Centre are:***

*(i) The managers and/or the new quality improvement consultant becoming ill, not performing well or leaving without sufficient notice.*

*(ii) The personnel at the 500 miles KCH P&O Centre and/or the 500 miles Mzuzu P&O Centre not being willing or able to comply with the new quality management system*

*(iii) MoH Malawi not being willing to assume personnel currently being paid by 500 miles onto the MoH Malawi payroll,*

*(iv) MoH Malawi not honouring the Memorandum of Understanding with 500 miles and/or not being willing to review and update it.*

*(v) Major accident or injury to non-MoH Malawi personnel.*

*(vi) 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 centres less viable.*

### **Zambia**

500 miles plans to continue to facilitate access to the P&O services of MoH Zambia, to try to re-establish some outreach work with or through UTH and to continue to provide a complimentary, low level P&O service at St Francis Hospital, all for the benefit of people who cannot afford to pay for these services themselves, all with a view to re-approaching MoH Zambia in the medium term to ask for cooperation so as to make the charity's efforts sustainable.

In particular the charity intends to:

(1) Continue to support the system whereby people who cannot afford to pay for their own P&O devices, but who would not normally be supported by the Zambian government, can access P&O services at UTH under referral and with sponsorship from 500 miles, all with the cooperation of the staff at UTH.

(2) Continue to facilitate a system by which Beit CURE can refer its patients directly to UTH with sponsorship from 500 miles.

(3) Re-establish the charity's practice of arranging and funding outreach trips through UTH to St Francis Hospital and then to Mongu Cheshire Home and/or Chitokoloki Mission Hospital.

(4) From a base at St Francis Hospital, continue to provide and fund low-level P&O services (repairs and adjustments and simple orthoses) and to assess and refer people for P&O treatment direct to UTH and, if the charity is able to re-establish outreach to St Francis Hospital, through such outreaches.

(5) Arrange for 500 miles' representative in Lusaka, who is employed by St Francis Hospital but paid by 500 miles, to apply to and go to study at Mobility India for a three-year diploma and to recruit his replacement in his role at Francis Hospital.

(6) Depending on progress on the above plans, to seek to renew and expand the charity's current MoU with MoH Zambia to include commitments from MoH Zambia around (a) a system for approving local and walk-in patients for sponsorship by 500 miles, (b) ring fencing income generated by the sponsorship of devices by 500 miles for the benefit of the P&O department at UTH without reducing the existing contribution of UTH/MoH Zambia, (c) ensuring a continuous





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

supply of stock for the fabrication of devices and (d) taking responsibility for the risks involved in the outreach work to be funded by 500 miles as part of the service of MoH Zambia.

*The main risks specific to 500 miles' plans to facilitate access to the P&O services of MoH Zambia and to re-establish its outreach work for the benefit of the poor, and additionally to provide complimentary low-level P&O services at St Francis Hospital are:*

- (i) Non-cooperation and/or poor performance by the manager and/or staff at UTH on whom the charity is dependent for administration, quality of devices, reliability of service. If this cannot be achieved, the charity will have to either find a new way of working in Zambia or cease to operate there.*
- (ii) Lack of cooperation by UTH and/or Beit CURE around the referral of patients by Beit CURE to UTH with sponsorship from 500 miles.*
- (iii) (iv) MoH/UTH increase the price of P&O devices to a level which makes the charity's model unviable.*
- (iv) St Francis Hospital do not support 500 miles' low-level P&O service which is operating there and/or, if the charity is able to re-establish outreach to St Francis Hospital, such outreach.*
- (v) if the charity is able to re-establish outreach to St Francis Hospital and/or Mongu Cheshire Home and/or Chitokoloki Mission Hospital, these organisations do not plan and organise outreach initiatives efficiently.*
- (vi) 500 miles' representative in Lusaka failing to gain entry to Mobility India or failing the course.*
- (vii) Lack of control over the quality of the P&O services supported by 500 miles.*
- (viii) MoH Zambia do not engage cooperate with the scheme set out in the proposed MoU, as described above. Failure to adhere to a system for approval for sponsorship and/or failure to maintain a continuous supply of stock would frustrate the scalable model with which the charity would like to continue. Failure to ring fence income generated by 500 miles for the P&O department at UTH would destroy the sustainability of the model. Failure to assume responsibility for outreach carried out by 500 miles would ultimately limit the scope of the charity's operations. If after a further approach by 500 miles to MoH Zambia, MoH Zambia will not sign a MoU with 500 miles, the charity will have to either find a new way of working in Zambia or cease to operate there.*

### **Training**

500 miles will continue to help fund the training of Malawian and Zambian orthopaedic technologists to diploma and degree level to meet the demands of the 500 miles KCH P&O Centre and the 500 miles Mzuzu P&O Centre in Malawi, and, in Zambia, the Zambian government's P&O service at UTH and 500 miles's low-level P&O service which is operating at St Francis Hospital.

### **Other Activities**

500 miles will initiate plans for the charity's next large fundraising initiative, which will take place in 2020 or 2021.

A newsletter will be produced and thereafter a shorter newsletter will be produced every six months. The website will be fully updated.

500 miles will continue to promote regular donations to One Smile by standing order.

Third party fundraising will continue to be supported. The charity will promote online donating and fundraising through the Virgin Money Giving in priority to Just Giving.

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 and 1 May 2011. 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 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 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 a website designer to support its marketing and communications and occasionally the services of an administrator, all on an ad hoc basis.

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

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

### **Accounting period**

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



**LEGAL & ADMINISTRATIVE INFORMATION**

CHARITY NAME	500 miles
CHARITY NUMBER	SC038205
TRUSTEES	Susan Dalgety Susan Davie Robin Garrett Olivia Giles (Chairman, Treasurer and Executive Officer) James Robb Jane Salmonson
SECRETARY	Olivia Giles
PRINCIPAL ADDRESS AND REGISTERED OFFICE	Box 500 44-46 Morningside Road Edinburgh EH10 4BF
BANKERS	Adam and Company 25 St Andrew Square Edinburgh EH2 1AF  First Capital Bank (name changed from First Merchant Bank on 8 <sup>th</sup> October 2018) 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 5<sup>th</sup> August 2018 and signed on their behalf by:

A handwritten signature in black 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 2018 which are set out on pages 17 to 28.

**Respective responsibilities of trustees and examiner**

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

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

**Basis of independent examiner's statement**

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

**Independent examiner's statement**

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

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

have not been met, or,

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

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

14<sup>th</sup> August 2019



# 500 miles (Charitable Association)



## STATEMENT OF FINANCIAL ACTIVITIES For the year ended 31 December 2018

	Note	Unrestricted Funds 2018	Restricted Funds 2018	Total 2018	Total 2017
		£	£	£	£
<b>INCOME FROM</b>					
Donations	2	168,554	58,967	227,521	116,466
Charitable activities	3	22,179	0	22,179	11,767
Investment income	4	4,191	0	4,191	3,690
<b>TOTAL INCOME</b>		<b>194,924</b>	<b>58,967</b>	<b>253,891</b>	<b>131,923</b>
<b>EXPENDITURE ON:</b>					
Raising funds		31,807	0	31,807	8,535
Charitable activities	5	210,172	39,988	250,160	243,311
<b>TOTAL EXPENDITURE</b>		<b>241,979</b>	<b>39,988</b>	<b>281,967</b>	<b>251,846</b>
<b>NET INCOME / (EXPENDITURE)</b>		<b>(47,055)</b>	<b>18,979</b>	<b>(28,076)</b>	<b>(119,923)</b>
Transfers between funds		-	-	-	-
<b>NET MOVEMENT IN FUNDS</b>	15	<b>(47,055)</b>	<b>18,979</b>	<b>(28,076)</b>	<b>(119,923)</b>
Total Funds Brought Forward		418,952	19,804	438,756	558,679
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>371,897</b>	<b>38,783</b>	<b>410,680</b>	<b>438,756</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 15 to the financial statements. The notes on pages 20 to 28 form part of the financial statements.

# 500 miles (Charitable Association)



## BALANCE SHEET As at 31 December 2018

	Note	Total Funds 2018 £	Total Funds 2017 £
<b>CURRENT ASSETS</b>			
Debtors	11	-	-
Cash at bank & in hand		410,680	438,756
		<u>410,680</u>	<u>438,756</u>
<b>LIABILITIES</b>			
Creditors amounts falling due within one year	12	-	-
		<u>-</u>	<u>-</u>
<b>NET CURRENT ASSETS</b>		410,680	438,756
Creditors amounts falling due after one year		-	-
		<u>-</u>	<u>-</u>
<b>TOTAL NET ASSETS</b>		<u><u>410,680</u></u>	<u><u>438,756</u></u>
<b>THE FUNDS OF THE CHARITY</b>			
Restricted income funds	15	38,783	19,804
Unrestricted income funds- general funds			
Designated funds	15	104,500	105,500
General Funds		267,397	313,452
<b>TOTAL CHARITY FUNDS</b>	15	<u><u>410,680</u></u>	<u><u>438,756</u></u>

The financial statements on pages 17 to 28 were approved by the board of trustees on 5<sup>th</sup> August 2019 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 2018

	Note	2018		2017	
		£	£	£	£
<b>Cash flows from operating activities:</b>	A				
Net cash provided by operating activities			(32,267)		(123,572)
<b>Cash flows from investing activities:</b>					
Interest received		4,191		3,690	
<b>Net cash provided by investing activities</b>			4,191		3,690
<b>Cash flows from financing activities</b>		-		-	
<b>Net cash provided by (used in) financing activities</b>			-		-
<b>Change in cash &amp; cash equivalents in the reporting period</b>			(28,076)		(119,882)
Cash & cash equivalents at the beginning of the year			438,756		558,638
Change in cash & cash equivalents due to exchange rate movements			-		-
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	B		410,680		438,756

## NOTES TO THE STATEMENT OF CASH FLOWS

<b>A. Reconciliation of net income to net cash flow from operations</b>			<b>Total Funds 2018</b>	<b>Total Funds 2017</b>
			£	£
Net income for the reporting period (as per the statement of financial activities)			(28,076)	(119,923)
Interest			(4,191)	(3,690)
Decrease in debtors			-	41
(Decrease)/increase in creditors			-	-
<b>Net cash provided by operating activities</b>			<b>(32,267)</b>	<b>(123,572)</b>

<b>B. Analysis of cash and cash equivalents</b>	<b>At 1 January 2018</b>	<b>Cash flows 2018</b>	<b>Other changes 2018</b>	<b>At 31 December 2018</b>
	£	£	£	£
Cash in hand	483,756	(28,076)	-	410,680
<b>Total cash &amp; cash equivalents</b>	<b>483,756</b>	<b>(28,076)</b>	<b>-</b>	<b>410,680</b>



## NOTES TO THE FINANCIAL STATEMENTS For the 12 months ended 31 December 2018

### 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.





## NOTES TO THE FINANCIAL STATEMENTS For the 12 months ended 31 December 2018

### 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. There are currently no designated funds for the charity.

### 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 2018 these comprised:
  - Malawian project: costs attributable to management, operation and funding of P&O workshops and fitting of P&O devices to patients at the two separate centres of Kamuzu and Mzuzu Central Hospitals and funding outreach services.
  - Zambian project: costs attributable to supporting UTH to deliver P&O devices to local and walk-in patients in Lusaka and the costs of delivering 'low level' prosthetic and orthotic devices to poor people at Beit Cure Hospital and at St Francis Hospital.
  - Training project: costs attributable to the ongoing training of Malawians and Zambians in Cambodia and India and through distance learning through a German university 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.

## 500 miles (Charitable Association)



### NOTES TO THE FINANCIAL STATEMENTS For the 12 months ended 31 December 2018

#### 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 2018

**1. DETAILED COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted Funds 2017	Restricted Funds 2017	Total Funds 2017
	£	£	£
<b>INCOME FROM</b>			
Donations	68,795	47,671	116,466
Charitable activities	11,767	-	11,767
Investments	3,690	-	3,690
<b>TOTAL INCOME</b>	84,252	47,671	131,923
<b>EXPENDITURE ON:</b>			
Raising funds	8,535	-	8,535
Charitable activities	189,723	53,588	243,311
<b>TOTAL EXPENDITURE</b>	198,258	53,588	251,846
<b>NET INCOME</b>	(114,006)	(5,917)	(119,923)
Transfers between funds	-	-	-
<b>NET MOVEMENT IN FUNDS</b>	(114,006)	(5,917)	(119,923)
Total Funds Brought Forward	532,958	25,721	558,679
<b>TOTAL FUNDS CARRIED FORWARD</b>	418,952	19,804	438,756

## 500 miles (Charitable Association)



### NOTES TO THE FINANCIAL STATEMENTS For the 12 months ended 31 December 2018

2.	DONATIONS	Unrestricted Funds 2018	Restricted Funds 2018	Total Funds 2018	Total Funds 2017
		£	£	£	£
	Individuals & Corporates	138,104	53,967	192,071	101,216
	Charitable Trusts	30,450	5,000	35,450	15,250
	<b>Donations</b>	<b>168,554</b>	<b>58,967</b>	<b>227,521</b>	<b>116,466</b>

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

3.	INCOME FROM CHARITABLE ACTIVITIES	Unrestricted Funds 2018	Restricted Funds 2018	Total Funds 2018	Total Funds 2017
		£	£	£	£
	Malawi Project, device sales	22,179	-	22,179	11,767

4.	INCOME FROM INVESTMENTS	Unrestricted Funds 2018	Restricted Funds 2018	Total Funds 2018	Total Funds 2017
		£	£	£	£
	Bank interest	4,191	-	4,191	3,690



NOTES TO THE FINANCIAL STATEMENTS  
For the 12 months ended 31 December 2018

5.	EXPENDITURE ON CHARITABLE ACTIVITIES	Unrestricted Funds 2018	Restricted Funds 2018	Total Funds 2018	Total Funds 2017
		£	£	£	£
	Malawi project	198,043	26,740	224,783	193,055
	Zambian project	11,305	3,811	15,116	42,720
	Quality Assessment Project	308	5,500	5,808	
	Quality Improvement Project		838	838	
	Flyspec project		2,000	2,000	1,200
	Mzuzu Central Hospital Build Project & Kamuzu Central Hospital refurbishment		1,099	1,099	4,717
	Support Costs (note 6)	176		176	1,051
	Governance costs (note 7)	340		340	568
		210,172	39,988	250,160	243,311

Within the above expenditure, there is a total of £37,872 training expenditure (2017: £31,229).

6.	SUPPORT COSTS	Unrestricted Funds 2018	Restricted Funds 2018	Total Funds 2018	Total Funds 2017
		£	£	£	£
	Bank Charges	1,023	-	1,023	379
	Exchange rate differences	(847)	-	(847)	672
		176	-	176	1,051

7.	GOVERNANCE COSTS	Unrestricted Funds 2018	Restricted Funds 2018	Total Funds 2018	Total Funds 2017
		£	£	£	£
	Trustee Expenses	123	-	123	351
	Administration	217	-	217	217
	Audit	-	-		
		340	-	340	568

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. Expenses of £123 (2017: £352) were reimbursed to one trustee and no other related party transactions occurred.

NOTES TO THE FINANCIAL STATEMENTS  
For the 12 months ended 31 December 2018

10. AUDIT FEES (included in governance costs in note 5 above)	Unrestricted Funds 2018	Restricted Funds 2018	Total Funds 2018	Total Funds 2017
	£	£	£	£
Audit Fees	-	-	-	-

11. DEBTORS	Unrestricted Funds 2018	Restricted Funds 2018	Total Funds 2018	Total Funds 2017
	£	£	£	£
Accrued income	-	-	-	-
	-	-	-	-

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	Unrestricted Funds 2018	Restricted Funds 2018	Total Funds 2018	Total Funds 2017
	£	£	£	£
Accruals	-	-	-	-

13. CONTINGENT LIABILITIES

There were no contingent liabilities at the balance sheet date.

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted Funds 2018	Restricted Funds 2018	Total Funds 2018
	£	£	£
Net current assets	371,897	38,783	410,680



NOTES TO THE FINANCIAL STATEMENTS  
For the 12 months ended 31 December 2018

15.	MOVEMENTS IN FUNDS	Fund balances at the start of the year	Income & Gains	Expenditure & Losses	Transfers	Fund balances at the end of the year
		£	£	£	£	£
	<b>Restricted funds</b>					
	Training	-	5,000	(5,000)		-
	Flyspec	13,289		(2,000)		11,289
	Mzuzu Central Hospital Build Project & Kamuzu Central Hospital refurbishment	6,515		(1,099)		5,416
	Quality Assessment Project		5,500	(5,500)		-
	Quality Improvement Project		22,916	(838)		22,078
	One Smile	-	25,551	(25,551)		-
	<b>Total restricted funds</b>	19,804	58,967	(39,988)		38,783
	<b>Unrestricted funds</b>					
	Designated Funds	105,500		(105,500)	104,500	104,500
	General funds	313,452	194,924	(136,479)	(104,500)	267,397
	<b>Total unrestricted funds</b>	418,952	194,924	(241,979)		371,897
	<b>TOTAL FUNDS</b>	<b>438,756</b>	<b>253,891</b>	<b>(281,967)</b>	<b>-</b>	<b>410,680</b>

## RESTRICTED FUNDS

### Training

The £5,000 in 2018 from Shoe Zone Trust is towards the costs of training a Malawian who is doing a 3-year diploma course in Cambodia.

### FlySpec

This fund represents donations which were intended for the charity's work with FlySpec, a Zambian charity which delivers orthopaedic surgery to remote parts of Zambia. These funds are used for our outreach work and to cost share with FlySpec on transport.

### Mzuzu Central Hospital & Kamuzu Central Hospital refurbishment

This fund was created for the construction of the 500 miles MCH P&O Centre in Mzuzu during 2012. A large grant was received from Maitri for this project, which was not fully spent and Maitri agreed 500 miles could hold the balance. In April 2017 Maitri gave permission to 500 miles to apply any balance held by the charity from Maitri towards the upkeep of the MCH P&O Centre and the KCH P&O Centre. In the year under review there was £1,099 of relevant expenditure to which these restricted funds may be applied.



### NOTES TO THE FINANCIAL STATEMENTS For the 12 months ended 31 December 2017

#### **Quality Assessment Project**

The £5,500 was donated by Shoe Zone Trust to fund this special project to assess the quality of the charity's service in Malawi and the training needs of its personnel.

#### **Quality Improvement Project**

Johnson & Johnson made a grant of £22,916 (\$30,000) to fund a new initiative to create and put in place a new quality control system for the charity's service in Malawi.

#### **One Smile**

Funds received expressly for One Smile or for direct patient service are allocated to One Smile. The charity only allocates funds in the One Smile restricted fund to 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 2019 to fund certain expenditure relating to the projects detailed in the trustees' report, in respect of (1) managers working at the 500 miles KCH P&O Centre and the 500 miles MCH P&O Centre in Malawi, (2) monthly payments to two Zambians and (3) the training of three of students in Africa, Cambodia and India. These commitments have been assessed to total £104,500 and will be discharged over the course of that financial year.