



500 miles
(Charitable Association)

ANNUAL REPORT
AND
FINANCIAL STATEMENTS

31 December 2019

500 miles (Charitable Association)



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TRUSTEES' REPORT

The trustees are pleased to present their annual report together with the financial statements for the year ended 31 December 2019.

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. James Robb resigned with effect from 5th August 2019.

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 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.



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 £16,449. It was £22,179 in 2018, £11,767 in 2017 and £14,495 in 2016. The dip in 2017 and rise in 2018 are due to delays in KCH’s and MCH’s contributions in 2017 and then these contributions being caught up on in 2018, as these contributions are accounted for when received. The income externally derived during 2019 represents a sustained level of local income but, when you consider the decrease in production over the year (explained below), it also represents an increase in the average amount of income per device. Both factors are essential for the long-term sustainability of the service.

Following a full independent review in 2018 of quality control and the training needs of its personnel at the 500 miles KCH P&O Centre and the 500 miles MCH P&O Centre, the charity appointed a quality improvement consultant (“**QIC**”) to create and implement a quality management system (“**QMS**”) at the two centres during 2019 and beyond. The QIC carried out four visits to both the 500 miles KCH P&O Centre and the 500 miles MCH P&O Centre to develop a QMS and train the charity’s personnel in its implementation as well as to deliver substantive training to them. This is a major initiative, both operationally and financially. It did affect the volume of work at both the 500 miles KCH P&O Centre and the 500 miles MCH P&O Centre, but quality of the charity’s service has already improved and many of the processes and procedures which ensure quality of service have been systematised in the draft QMS which has been substantially created and implemented. Approximately 75% of the costs were covered by a grant from Johnson & Johnson.

In the second half of the year, 500 miles revised its charging policy at both the 500 miles KCH P&O Centre and the 500 miles MCH P&O Centre to require those who can pay to contribute as much as they can afford towards the cost of devices. As above, this has begun to result in increased income per device at both centres.

The charity sustained its initiative to improve the quality of 500 miles’ treatment of burns injuries at both the 500 miles KCH P&O Centre and the 500 miles MCH P&O Centre by liaising closely with the burns ward and the physiotherapy department at KCH and with all wards and the physiotherapy department at MCH.

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

At the 500 miles KCH P&O Centre

Capacity and production rate reduced, mainly due to the interruption caused by the quality improvement initiative and the refurbishment, but also due to running out of stock towards the end of the year. The total number of patients treated was 1,412 compared with 1,665 in 2018 and 1,452 in 2017. 874 new P&O devices were delivered in 2018, compared with 1,294 in 2018 and 1,104 in 2017, which represents an average of 72.8 new devices a month compared with an average of 107.8 in 2018 and 92 in 2017.

The 500 miles KCH P&O Centre had 6,209 registered patients as at the end of 2019, up 590 from 5,619 at the end of 2018.

500 miles funded the vast majority of the costs of these 874 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 2019.

500 miles (Charitable Association)



ACHIEVEMENTS AND IMPACT (continued)

In September, the 500 miles KCH P&O Centre was substantially refurbished by a team from Glasgow City Council led by personnel from the department of the Lord Provost of Glasgow, all at minimal cost to 500 miles.

The 500 miles KCH P&O Centre has continued to integrate and align its service with KCH and MoH Malawi. It has been agreed that when 500 miles hands over this centre to the Malawi government, it will be under a memorandum of understanding with KCH, rather than MoH Malawi, and that if the planned rehabilitation section of a new specialist orthopaedic hospital (the LION Project) is developed as part of KCH, 500 miles will move there. KCH continued to pay invoices more regularly but have not been supplying much local stock.

The charity recruited two new technicians, one to replace a retiring technician and the other in anticipation of clinician numbers increasing and a technician leaving to study in 2019.

The new Malawian manager was inducted in March and continues in the role, albeit with support.

At the 500 miles Mzuzu P&O Centre

Capacity and production rate have also dropped at this centre, mainly due to the interruption caused by the quality improvement initiative, but also due to running out of stock towards the end of the year. The total number of patients treated was 628 compared with 659 in 2018 and 665 in 2017. 719 new P&O devices were delivered in 2019 compared with 827 in 2018 and 777 in 2017. This represents an average of 59.9 new devices a month compared with an average of 68.9 in 2018 and 64.7 in 2017.

The 500 miles MCH P&O Centre had 2,354 registered patients as at the end of 2018, up 344 from 2,010 at the end of 2018.

500 miles funded or part funded the vast majority of the costs of these 719 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 has resumed work on a third multi-disciplinary outreach programme with a sixth partner. It also receives ad hoc referrals from a few additional sources, with reasonable prospects of adding more partners and referrers.

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, the southernmost part of Mzimba South was covered, meaning that the charity's sensitisation of and outreach to the whole of Mzimba South, the largest district in northern region, has been completed. The charity also continued its revisiting programme (commenced in 2015) by which it returns systematically to areas that it has visited before. During the period under review the charity continued revisiting the northern part of the west of Mzimba South, covering three large health centre clusters.

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 almost all local stock required by the 500 miles MCH P&O Centre by including the 500 miles MCH P&O Centre in its procurement process. The handover of the 500 miles MCH P&O Centre to MCH as at 1st July 2021 was discussed in detail with the director of MCH and it was agreed that it will be done under a memorandum of understanding with MCH rather than MoH Malawi.

The charity elevated the clinician who achieved her degree in prosthetics and orthotics to the position of clinical leader and recruited a new technician to meet the recommended 1:1 ratio of clinicians to technicians and relieve the pressure of work on the existing technicians.



ACHIEVEMENTS AND IMPACT (continued)

As a result of the charity's work in both the 500 miles KCH P&O Centre and the 500 miles MCH P&O Centre, people all over central and northern regions have a P&O service which they can access or can be assisted to access. 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, 2,040 patients received 1,593 devices.

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

The aim of 500 miles in Malawi is to create self-sufficient, sustainable P&O services that can be handed over to KCH and MCH - so as to secure the same quality of life benefits for future generations in Malawi. During the period under review 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 increasing the in-country income per device and by continuing to increase the in-country skill base for MoH Malawi.

Zambia

500 miles continued to support a system whereby people who cannot afford to pay for their own P&O devices, but who would not normally be supported by the Zambian government, can access P&O services at UTH with sponsorship, from 500 miles, with the cooperation of the staff at UTH. As part of that system, the charity continued to facilitate referrals of patients directly to UTH by Beit CURE with 500 miles sponsorship.

From a base at St Francis Hospital, the charity continued to provide and fund low-level P&O services (repairs, adjustments and fabrication of simple orthoses) and to assess and refer people for P&O treatment direct to UTH. 500 miles achieved this by continuing to supervise and pay the salary of a full-time representative of 500 miles at St Francis Hospital, who is employed by St Francis Hospital on a casual basis.

During the review period, the charity arranged for 500 miles' original representative at St Francis Hospital to go to Mobility India to study for a three-year diploma and recruited his replacement in his role at St Francis Hospital.

UTH made and fitted devices for a total of 34 patients (55 in 2018) of which 18 were referred to it by Beit CURE, 10 by 500 miles' representative at St Francis Hospital, 3 by Mongu Cheshire Home and one by Chilonga Mission Hospital. Only two of the 34 were local patients referred by UTH.

500 miles' representative(s) at St Francis Hospital conducted 141 patient appointments (161 in 2018), and fitted 69 devices to local patients (65 in 2018). He/she also carried out repairs for 36 patients compared with 21 in 2018. This pattern of activity is due to the service, which started in 2017, having become better known, with the first influx of patients having been treated but many of them returning for regular replacement of simple devices and repairs. As above, 10 of the 34 referrals to UTH (37 of 55 in 2018) were directly through this representative who also identified 20 additional patients who could not afford to travel as needing P&O devices from UTH.

All referrals to UTH under the system referred to above depend on the cooperation of the staff at UTH who need to process paperwork. At the end of the year, the staff at UTH stopped cooperating with 500 miles. As well as frustrating future referrals, this has also resulted in 500 miles being unable to re-establish the charity's practice of arranging and funding outreach trips through UTH to St Francis Hospital and other hospitals. Further, the charity now has little prospect of renewing its memorandum of understanding with MoH Zambia and even its chances of reaching an agreement with UTH on an effective way for poor people to access a P&O service at UTH are low.



ACHIEVEMENTS AND IMPACT (continued)

Although relations with UTH are at an impasse and the future of 500 miles' activity through UTH remains uncertain, the charity enjoys good cooperation from St Francis Hospital and the low-level P&O service that 500 miles has established there has been successful. Without a sustainable plan rooted in the national health service, the charity's work in Zambia has been purely humanitarian but during the year under review, 103 Zambians, all on low or no incomes, have been fitted with prostheses and orthoses and 36 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.. 20 students have been sponsored by 500 miles for 22 qualifications since the charity began. This activity has been ongoing since the charity started and remains a critical part of the charity's strategy to fulfil its core objectives.

Training Africans to become prosthetists and orthotists to an international standard in this way not only provides the human resources required to deliver safe and effective 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

Plans were begun for a new large fundraiser to be held in 2021.

A substantial newsletter was issued in June.

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 £15,461 (£16,007 in 2018 and £14,118 in 2017).

Third party fundraising was supported and the charity was promoted at a number of public talks.

FINANCIAL REVIEW

Results for the period

During this accounting period, income reduced to £100,263 (2018, £253,891 and 2017, £131,923). The main reason for this fall is that the 2018 included the profit of £65,000 from the Malawi Cycle and the restricted fund held by way of a grant of £22,916 (\$30,000) from Johnson & Johnson, all which was spent on the charity's quality improvement initiative during 2019, and there was no significant fundraising activity by the charity itself

Of the total income for 2019, donations totalling £38,298 were restricted in nature, the majority of these being split between One Smile (£24,798) and training (£12,500).

This is the ninth 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 £15,461 was raised in this financial period (2018, £16,007 and 2017, £14,118). (These are in addition to other one-off donations to One Smile.)



FINANCIAL REVIEW (continued)

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 £16,449 (2018, £22,179, 2017, £11,767 and 2016, £14,495). As previously noted on page 4, the dip in 2017 and rise in 2018 are due to delays in KCH's and MCH's contributions in 2017 and then these contributions being caught up on in 2018, as these contributions are accounted for when received. The income externally derived during 2019 represents a sustained level of local income but, when you consider the decrease in device production over the year, it also represents an increase in the average amount of income per device.

Expenditure on charitable activities totalled £231,286 (2018, £250,160 and 2017, £243,311). 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 Katete, Zambia
- (5) continuing sponsorship of the training of staff and future staff for 500 miles' projects in Malawi and Zambia
- (6) the creation and implementation of a QMS at the 500 miles MCH P&O Centre and the 500 miles KCH P&O Centre in Malawi and the delivery of substantive training there.

Expenditure on raising funds reduced to £4,947 (£31,807 in 2018 and £8,535 in 2017)). This reduction is due to the charity not having carried out any significant fundraising activity whereas it ran the Malawi Cycle in 2018.

Expenditure for this financial year totalled £236,233 (2018, £281,967 and 2017, £251,846).

After deducting total expenditure, the net movement on funds for the financial year was (£135,970) ((£28,076), 2018 and 2017, (£119,923)), giving total funds carried forward of £274,710 (2018, £410,680 and 2017, £438,756). Of these £188,337 (2018, £267,397 and 2017, £313,452) 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 managers of the 500 miles KCH P&O Centre and the 500 miles Mzuzu P&O Centre. These commitments are dependent on services provided or conditions being met and so are not provided for in the 2019 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).

At the time of writing, the world is subject to the effects of Coronavirus and of the measures designed to protect people from it. Taking into account the trustees' best assessment of these effects, it is the trustees' view that there is more than a one-year funding commitment for 2020, at the balance sheet date. 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 £73,700. Again taking account of the likely effects of Coronavirus, reduced budgets have been established for each of the charity's projects and it is the board's intention to try to maintain reserves sufficient to cover approximately 50% of the annual core costs of the projects currently being supported (after taking account of the designations above) as a buffer against the expected downturn in future income generation due to the effects of Coronavirus. The estimated reduced annual core costs for the activities of 500 miles' projects in the next financial period are £158,000, including the designated funds.



FINANCIAL REVIEW (continued)

Reserves are therefore adequate relative to the projected budget. This is still largely due to a residual balance held on account of the BIG dinner fundraising initiative in 2015 but this was a “one-off” and cannot be repeated at the same level annually. However, 500 miles works on a 4-5-year cycle for large fundraising pushes and was due to hold its next large income generating event in 2021. As noted under “Risk management” below, the fact that, due to the effects of Coronavirus and of the measures designed to protect people from it, the charity is unlikely to be able to do this on this timescale, poses a major threat to its future ability to augment and sustain its reserves.

If it secures approximately 60% funding from Johnson & Johnson for the continuance and completion of the quality improvement initiative which started in 2019 (costed at approximately £31,000), the board will agree to fund the remaining 40% so as to capitalise on the opportunity for funding of this expensive project which has already been substantially delivered. In order to be able to this, if the opportunity arises, the charity will need to have approximately £12,000 of free reserves available. However, the board will not commence any other new initiative (within the charity’s existing projects or otherwise) unless a reasonable external commitment for the vast majority of the remaining funding required, particularly for any capital spend, has been obtained or a significant amount of funds raised for it.

Current low surplus reserves are very likely to be needed to supplement annual income to fund current projects over the coming years.

Investment policy

The policy is to maximise the amount of interest that can be earned on any surplus funds by holding them in accounts 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 accounts. 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

A formal risk assessment is carried out annually.

Coronavirus

The risk posed by Coronavirus and the measures designed to protect people from it has crystallised and overshadows all other risks, but the full extent of the short, medium and long-term effects is unknown. The two major likely effects are financial. They are the severe curtailment of fundraising activity and the depletion of reserves through paying personnel when the charity’s ability to deliver its charitable purpose is significantly reduced, or even stopped, both of which will ultimately threaten the survival of the charity.

The charity had planned to hold a large fundraiser in 2020 or 2021 in line with its fundraising cycle, but due to likely restrictions on large gatherings and the long lead-in time required, this is not a realistic prospect until at least well into 2021. Individual fundraising by supporters has been and will be affected for some time by social distancing rules. Regular donations have been and may continue to be affected by a reduction in people’s personal circumstances and ad hoc donations are similarly likely to be reduced in the poor economic climate and by a natural preference for UK charities.



FINANCIAL REVIEW (continued)

As above, 500 miles still has adequate reserves as a result of past fundraising initiatives. Expenditure is likely to reduce as charitable activities reduce and it is likely that less stock will be consumed and therefore need to be bought. For as long as the 500 miles KCH P&O Centre and the 500 miles MCH P&O Centre are only able to operate on a skeleton basis, the charity will halve salaries for personnel that it pays in Malawi (apart from the job-sharing Australian managers who have agreed that they will cease to be paid if the 500 miles MCH P&O Centre closes for three months). The charity will make no new commitments until there are good prospects of raising new funds to meet them. On that basis, it is hoped that the charity's reserves will sustain the charity until income increases again.

500 miles had intended to apply for funding to suitable trusts and foundations during the period when the charity's reserves would be at their lowest before bringing in funding from the planned large fundraiser. This may still be possible if trusts and foundations which support international work for the benefit of people with disabilities are approached.

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

1. 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, on the charity's ability to carry out its operations.

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. For managerial posts, the charity has had a better experience overall with expatriates in these roles and now considers they present less risk.

4. 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 has a safeguarding policy (including a safeguarding code of conduct, a patients' rights charter and a chaperone policy) which was adopted by the board and largely implemented during 2019. Training of all personnel in Malawi in the safeguarding policy took place.

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

PLANS FOR THE FUTURE AND ASSOCIATED RISKS

Malawi

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

Subject to the restrictions resulting from measures to protect against Coronavirus and the effect of infection cause by the virus, 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.



PLANS FOR THE FUTURE AND ASSOCIATED RISKS (continued)

- (4) Improve the quality of the service it provides by (a) completing and implementing a quality management system and (b) arranging three visits to the 500 miles KCH P&O Centre and the 500 miles MCH P&O Centre by its quality improvement consultant to train the personnel in the system and in substantive areas where training is required for delivery of a quality service.
- (5) Continue to integrate its P&O service with KCH and MCH and their services.
- (6) Continue to integrate and align its P&O service with that provided by MoH Malawi, and in particular to have personnel currently paid by 500 miles assumed onto the MoH Malawi payroll.
- (7) Send the technician at the 500 KCH P&O Centre who has been selected for training to study for an internationally recognised 3-year diploma in orthopaedic technology.
- (8) In conjunction with MCH, draft a Memorandum of Understanding between MCH and 500 miles to document the parties' rights and obligations under the handover contract.
- (9) Begin to discuss and map out with KCH, the route, stages and timescale for handover.
- (10) 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, some of which are exacerbated by the effects of Coronavirus, are:

- (i) The managers and/or the 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) Restrictions on international travel preventing students joining courses.*
- (v) MoH Malawi not honouring the existing memorandum of understanding with 500 miles.*
- (vi) 500 miles failing to agree terms with MCH for the handover of the 500 miles MCH P&O Centre.*
- (vii) Lack of cooperation from KCH in working towards the integration of the 500 miles KCH P&O Centre with KCH and its eventual handover to KCH.*
- (viii) Major accident or injury to non-MoH Malawi personnel.*
- (ix) The charity not being able to find enough in-country income, leaving 500 miles to fund too high a percentage of the full cost of production prices. This would make the handing over of the management and control of the centres less viable.*

Zambia

After over four years of unsuccessfully trying to enter into a memorandum of understanding with MoH Zambia, 500 miles will no longer pursue this, but the charity will continue to facilitate access to P&O services for people in Zambia who cannot afford to pay for these services themselves and continue to try to establish a way of working with UTH by which funds paid to UTH for P&O services for the poor are used for the purchase of stock and materials for the supply of such P&O services. 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 with sponsorship from 500 miles, all with the cooperation of the staff at UTH
- (2) Continue to facilitate a system by which Beit CURE and other third parties known to 500 miles can refer their 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.
- (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.



PLANS FOR THE FUTURE AND ASSOCIATED RISKS (continued)

(5) Continue to sponsor 500 miles' previous representative at St Francis Hospital to study for his 3-year diploma in orthopaedic technology at Mobility India with a view to expanding the charity's work at St Francis Hospital when he qualifies in 2022.

The main risks specific to 500 miles' plans to facilitate access to P&O services at UTH and St Francis Hospital for people in Zambia who cannot afford to pay for these services themselves and to establish a sustainable way of working with UTH, some of which are exacerbated by the effects of Coronavirus are:

- (i) Non-cooperation and/or poor performance by the staff at UTH on whom the charity is dependent for administration, quality of devices, reliability of service and promoting and supporting a sustainable way of working with 500 miles. If cooperation cannot be achieved, the charity will have to limit its activities in Zambia to its operations and ambitions at St Francis Hospital.*
- (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) MoH Zambia/UTH increase the price of P&O devices to a level which makes the charity's model unviable.*
- (iv) St Francis Hospital does 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) Poor performance by the charity's representative at St Francis Hospital.*
- (vi) The student being sponsored to study at Mobility India failing the course.*
- (vii) Lack of control over the quality of the P&O services supported by 500 miles.*

Training

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

Other Activities

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

- (1) Continue to support any third party fundraising and promote online donating and fundraising through the Virgin Money Giving in priority to Just Giving.
- (2) Continue to promote regular donations to One Smile by standing order.
- (3) Closely monitor for the opportunity to design and launch a large fundraising initiative as soon as reasonably practicable.
- (4) Apply for funding to trusts and foundations which support international work for the benefit of people with disabilities.
- (5) Apply to Johnson & Johnson for funding for the continuance and completion of the charity's quality improvement initiative.

A newsletter will be produced early in the year and around November.

The charity's website and leaflet will be updated.

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).

500 miles (Charitable Association)



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

Recruitment and appointment of trustees

The constitution states that the body of trustees shall consist of the officers of the charity (currently Olivia Giles) together with such additional number of trustees as the said body may determine from time to time. The trustees are as listed on page 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 occasionally of a website designer and 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 eight to ten Malawians, all on a full-time and ongoing basis. These arrangements are expressly not contracts of employment but rather contracts for services. In Zambia, the charity pays the salary of one Zambian based in Katete through St Francis Hospital.

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

Accounting period

The accounting period of the charity is the calendar year to 31st December.

500 miles (Charitable Association)



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 (Resigned with effect from 5th August 2019)
 Jane Salmonson

SECRETARY Olivia Giles

PRINCIPAL ADDRESS
AND REGISTERED OFFICE Box 500
 44-46 Morningside Road
 Edinburgh
 EH10 4BF

BANKERS Adam and Company
 25 St Andrew Square
 Edinburgh
 EH2 1AF

 First Capital Bank
 Old Kandodo Building
 Kamuzu Procession Road
 Lilongwe Private Bag 85
 Lilongwe
 Malawi

 FDH Bank Malawi
 Mzuzu Branch
 Mzuzu Private Bag 209
 Luwinga
 Mzuzu

INDEPENDENT EXAMINER Mark W Barnish FCA
 5 Michaels Close
 Newcastle-under-Lyme
 ST5 8QY



STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO INDEPENDENT EXAMINER

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

Approved by the trustees on 18th June 2020 and signed on their behalf by:

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

O Giles
Secretary



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

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

I report on the financial statements of the charity for the year ended 31 December 2019 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 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

20th JUNE 2020

500 miles (Charitable Association)



STATEMENT OF FINANCIAL ACTIVITIES For the year ended 31 December 2019

	Note	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total 2019 £	Total 2018 £
INCOME FROM					
Donations	2	42,772	38,298	81,070	227,521
Charitable activities	3	16,449	0	16,449	22,179
Investment income	4	2,744	0	2,744	4,191
TOTAL INCOME		61,965	38,298	100,263	253,891
EXPENDITURE ON:					
Raising funds		4,947	0	4,947	31,807
Charitable activities	5	166,878	64,408	231,286	250,160
TOTAL EXPENDITURE		171,825	64,408	236,233	281,967
NET INCOME / (EXPENDITURE)		(109,860)	(26,110)	(135,970)	(28,076)
Transfers between funds		-	-	-	-
NET MOVEMENT IN FUNDS	15	(109,860)	(26,110)	(135,970)	(28,076)
Total Funds Brought Forward		371,897	38,783	410,680	438,756
TOTAL FUNDS CARRIED FORWARD		262,037	12,673	274,710	410,680

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 2019

	Note	Total Funds 2019 £	Total Funds 2018 £
CURRENT ASSETS			
Debtors	11	-	-
Cash at bank & in hand		274,710	410,680
		<u>274,710</u>	<u>410,680</u>
LIABILITIES			
Creditors amounts falling due within one year	12	-	-
		<u>-</u>	<u>-</u>
NET CURRENT ASSETS		274,710	410,680
Creditors amounts falling due after one year		-	-
		<u>-</u>	<u>-</u>
TOTAL NET ASSETS		<u><u>274,710</u></u>	<u><u>410,680</u></u>
THE FUNDS OF THE CHARITY			
Restricted income funds	15	12,673	38,783
Unrestricted income funds- general funds			
Designated funds	15	73,700	104,500
General Funds		188,337	267,397
TOTAL CHARITY FUNDS	15	<u><u>274,710</u></u>	<u><u>410,680</u></u>

The financial statements on pages 17 to 26 were approved by the board of trustees on 18th June 2020 and signed on its behalf by:

A handwritten signature in black ink that reads "Olivia Giles".

O Giles
Chairman

500 miles (Charitable Association)



STATEMENT OF CASH FLOWS For the year ended 31 December 2019

	Note	2019		2018	
		£	£	£	£
Cash flows from operating activities:	A				
Net cash provided by operating activities			(138,434)		(33,114)
Cash flows from investing activities:					
Interest received		2,744		4,191	
Net cash provided by investing activities			2,744		4,191
Cash flows from financing activities					
Net cash provided by (used in) financing activities					
Change in cash & cash equivalents in the reporting period			(135,690)		(28,923)
Cash & cash equivalents at the beginning of the year			410,680		438,756
Change in cash & cash equivalents due to exchange rate movements			(280)		847
Cash & cash equivalents at the end of the reporting period	B		274,710		410,680

NOTES TO THE STATEMENT OF CASH FLOWS

A. Reconciliation of net income to net cash flow from operations		Total Funds 2019	Total Funds 2018		
		£	£		
Net income for the reporting period (as per the statement of financial activities)		(135,690)	(28,923)		
Interest		(2,744)	(4,191)		
Decrease in debtors		-	-		
(Decrease)/increase in creditors		-	-		
Net cash provided by operating activities		(138,434)	(33,114)		
B. Analysis of cash and cash equivalents		At 1 January 2019	Cash flows 2019	Other changes 2019	At 31 December 2019
		£	£	£	£
Cash in hand		410,680	(135,970)	-	274,710
Total cash & cash equivalents		410,680	(135,970)	-	274,710



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.

500 miles (Charitable Association)



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.

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.

500 miles (Charitable Association)



NOTES TO THE FINANCIAL STATEMENTS
For the 12 months ended 31 December 2019

1. DETAILED COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds 2018	Restricted Funds 2018	Total Funds 2018
	£	£	£
INCOME FROM			
Donations	168,554	58,967	227,521
Charitable activities	22,179	-	22,179
Investments	4,191	-	4,191
	<hr/>	<hr/>	<hr/>
TOTAL INCOME	194,924	58,967	253,891
	<hr/>	<hr/>	<hr/>
EXPENDITURE ON:			
Raising funds	31,807	-	31,807
Charitable activities	210,172	39,988	250,160
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURE	241,979	39,988	281,967
	<hr/>	<hr/>	<hr/>
NET INCOME	(47,055)	18,979	(28,076)
Transfers between funds	-	-	-
	<hr/>	<hr/>	<hr/>
NET MOVEMENT IN FUNDS	(47,055)	18,979	(28,076)
Total Funds Brought Forward	418,952	19,804	438,756
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS CARRIED FORWARD	371,897	38,783	410,680
	<hr/>	<hr/>	<hr/>

2. DONATIONS	Unrestricted Funds 2019	Restricted Funds 2019	Total Funds 2019	Total Funds 2018
	£	£	£	£
Individuals & Corporates	35,572	25,789	61,370	192,071
Charitable Trusts	7,200	12,500	19,700	35,450
	<hr/>	<hr/>	<hr/>	<hr/>
Donations	42,772	38,298	81,070	227,521
	<hr/>	<hr/>	<hr/>	<hr/>

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 2019

3. INCOME FROM CHARITABLE ACTIVITIES	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Malawi Project, device sales	16,449	-	16,449	22,179
4. INCOME FROM INVESTMENTS	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Bank interest	2,744	-	2,744	4,191
5. EXPENDITURE ON CHARITABLE ACTIVITIES	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Malawi project	155,260	30,011	185,271	224,783
Zambian project	6,817	7,287	14,104	15,116
Quality Assessment Project				5,808
Quality Improvement Project	3,089	23,078	26,167	838
Flyspec project		2,000	2,000	2,000
Mzuzu Central Hospital Build Project & Kamuzu Central Hospital refurbishment		2,032	2,032	1,099
Support Costs (note 6)	1,347		1,347	176
Governance costs (note 7)	365		365	340
	166,878	64,408	231,286	250,160

Within the above expenditure, there is a total of £22,758 training expenditure (2018: £37,872).



NOTES TO THE FINANCIAL STATEMENTS
For the 12 months ended 31 December 2019

6. SUPPORT COSTS	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Bank Charges	1,067	-	1,067	1,023
Exchange rate differences	280	-	280	(847)
	1,347	-	1,347	176

7. GOVERNANCE COSTS	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Trustee Expenses	139	-	139	123
Administration	226	-	226	217
Audit	-	-	-	-
	365	-	365	340

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 £139 (2018: £123) were reimbursed to one trustee and no other related party transactions occurred.

10. AUDIT FEES (included in governance costs in note 5 above)	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Audit Fees	-	-	-	-

11. DEBTORS	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Accrued income	-	-	-	-



12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	Unrestricted Funds 2019	Restricted Funds 2019	Total Funds 2019	Total Funds 2018	
	£	£	£	£	
Accruals	-	-	-	-	
13. ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted Funds 2019	Restricted Funds 2019	Total Funds 2019		
	£	£	£		
Net current assets	262,037	12,673	274,710		
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		
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	-	12,500	(12,500)	-	-
Flyspec	11,289		(2,000)		9,289
Mzuzu Central Hospital Build Project & Kamuzu Central Hospital refurbishment	5,416		(2,032)		3,384
Quality Improvement Project	22,078	1,000	(23,078)		-
One Smile	-	24,798	(24,798)		-
Total restricted funds	38,783	38,298	(64,408)		12,673
Unrestricted funds					
Designated Funds	104,500		(104,500)	73,700	73,700
General funds	267,397	61,965	(67,325)	(73,700)	188,337
Total unrestricted funds	371,897	61,965	(171,825)		262,037
TOTAL FUNDS	410,680	100,263	(236,233)	-	274,710



NOTES TO THE FINANCIAL STATEMENTS For the 12 months ended 31 December 2019

RESTRICTED FUNDS

Training

The £12,500 in 2019 from Shoe Zone Trust is towards the costs of training.

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 £2,032 of relevant expenditure to which this these restricted funds may be applied.

Quality Improvement Project

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

One Smile

Funds received expressly for One Smile or for direct patient service are allocated to One Smile. The charity only 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 2020 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 one Zambian and (3) the training of two of students in Cambodia and India. These commitments have been assessed to total £73,700 and will be discharged over the course of that financial year.