

Charity No. 1079358
Company No. 3916496

The Motivation Charitable Trust
Report & Financial Statements
31 December 2003

The Motivation Charitable Trust

Legal and administrative details

For the year ended 31 December 2003

Status	The organisation is a charity, registered on 16 September 1992. It is also a charitable company, limited by guarantee, incorporated on 31 January 2000.	
Governing Document	The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.	
Charity Number	1079358	
Company Number	3916496	
Registered Office and Operational Address	Brockley Academy Brockley Lane Backwell BRISTOL BS48 4AQ	
Trustees	Scott Glickman Prue Bramwell-Davies Steven Fogel Vivien Gardener	Chairman
Directors and Founders	David Constantine Richard Frost	
Bankers	National Westminster Bank Plc 21a Somerset Square Nailsea Bristol BS99 5ES	
Auditors	Sayer Vincent Chartered Accountants Registered Auditors 8 Angel Gate City Road London EC1V 2SJ	

The Motivation Charitable Trust

Report of the trustees

For the year ended 31 December 2003

The Trustees/Directors are pleased to present their report along with the financial statements of the charity for the year ended 31st December 2003. The financial statements have been prepared based on accounting policies set out in note 1 to the financial statements, which comply with the charity's constitution, applicable law and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in October 2000

Objects of the Charity

Motivation Charitable Trust is a non-government organisation (NGO) working with local organisations to enhance the quality of the lives of people with mobility disabilities. We have worked in nineteen countries since 1990, focusing on Central America, East and Central Europe, South East Asia, East and Southern Africa and the Indian Sub-continent. Each Motivation programme aims to improve opportunities for people with mobility disabilities by helping them to improve their physical, social and economic circumstances, resulting in greater integration into society.

Motivation programmes are designed and run in collaboration with all stakeholders, including beneficiaries, and our partnerships ensure that local organisations have the skills to meet the needs of disabled people in their communities on an ongoing basis. We provide technical and professional assistance to local organisations according to their needs, most typically by:

- **Rehabilitation equipment** - training local staff in the design and production of low-cost, appropriate wheelchairs, special seating, and artificial limbs;
- **Services / access** - setting up support services to ensure that disabled people have access to the right equipment for their needs, education about their disability and support from other disabled people;
- **Advocacy / advice** - running advocacy programmes to publicise the rights of disabled people, initiating training and advising governments on policy formation relating to disabled people;
- **Capacity / sustainability** - facilitating a process of organisational development within local partner organisations to ensure that the services they set up are sustainable; and running training programmes to support beneficiaries through the various stages of their rehabilitation;
- **Employment / training** - setting up employment and income generation programmes, vocational training and financing systems for products and services.

The five key issues highlighted above directly affect the quality of the lives of disabled people, and the "Activities" section of this report illustrates the practical ways in which we are currently tackling them in programmes around the world.

Organisational Structure

Motivation is governed by a board of five Trustees/Directors who meet four times a year. Day to day responsibility for the management of the Charity falls to two Executive Officers, who report directly to the board of Trustees/Directors and are responsible for implementing the board's policy decisions. Each of our Trustees/Directors has a broad understanding of the organisation and brings specialist knowledge from his/her particular field of expertise (e.g. medicine, design, law, accountancy).

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Report of the trustees

For the year ended 31 December 2003

Organisational structure (continued)

Although the majority of Motivation's work with beneficiaries takes place overseas, we would not be able to fund and fulfil our programme commitments without a strong support infrastructure in the UK. The organisation's headquarters is based just outside Bristol, and houses our operations, finance, administration and fundraising teams (a total of nine staff). Brockley Academy also forms the central base for the design and production phase of our WorldMade project (please see activities section below).

Motivation is a member of the UK Working Group on Landmines, British Overseas NGOs for Development (BOND), People in Aid, the National Council for Voluntary Organisations (NCVO) and the International Society for Prosthetics and Orthotics (ISPO).

Activities

Africa

The Wheelchair Technologists Training Course (W TTC), initiated as part of Motivation's Africa programme in 1999 in partnership with the Tanzania Training Centre for Orthopaedic Technologists (TATCOT), has continued to thrive in 2003. The course is becoming increasingly well known having received 50 applications to date from 16 countries in Africa.

We now have 16 qualified wheelchair technologists. The majority of graduates are themselves disabled, and have gone on to establish their own wheelchair services in five African countries: Uganda, Tanzania, Zimbabwe, Zambia and Nigeria. We have continued our work to support graduates of the course as they set up their services as pioneers of this new profession, and many workshops have now begun to serve the wheelchair needs of their communities.

Most disabled people live in poverty as a result of social marginalization. Securing sponsorship and establishing financing systems for the appropriate wheelchairs now being produced in Africa remain huge challenges to ensure that everyone who needs a wheelchair has access to one, regardless of ability to pay.

Funding awarded by the Department for International Development (DfID) Knowledge and Research Programme (KaR) enabled us to bring together all W TTC graduates and trainers with wheelchair producers from all over Africa at the 3rd All Africa wheelchair congress in Zambia in August, which also saw the founding of the Pan African Wheelchair Builders Association (PAWBA). The new KaR programme is also supporting our mobility products design development activities, the publication of a wheelchair guidebook, and a feasibility study into the replication of the W TTC in another region.

Central America

Armed conflicts and natural disasters throughout the Central America region have resulted in a high proportion of people becoming disabled. Motivation is working with CADISCA (Capacitación a Discapacitados de Centroamérica), our partner organisation in Central America, on a series of small projects to improve the quality of the lives of wheelchair users in the region.

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In August 2003 CADISCA began a three month project to remove architectural barriers for wheelchair users in Managua, the capital of Nicaragua. The removal of physical barriers gives disabled people and wheelchair users in particular, equal opportunities to access key financial, educational and social areas within the city. Through greater freedom, disabled people will be enabled to carry out activities which will promote their independence and active participation in the life of their community. **A team of wheelchair users from CADISCA succeeded in building 200 ramps in just three months**, providing much needed access to public areas across Managua. The local government has committed to continue this initiative.

CADISCA will progress their work in 2004 with a **year-long project to train mothers with disabilities in dressmaking skills**. This project will begin to address the demand for vocational training that will provide access to more employment opportunities for disabled women.

These small projects form part of a larger programme, as the CADISCA team work to strengthen their organisation, to maximise its potential and financial sustainability and so increase the impact of their work on the lives of disabled people across Central America.

Asia

Our work in Asia focuses around the Disability Support Programme (DSP) in Sri Lanka, which began in 2002 and is funded by USAID over 5 years (approximate cost \$3,740,000). The central aim of the DSP is the integration of people with mobility disabilities into their communities, which requires holistic approaches to rehabilitation from our six local partners throughout the country. Our key activity areas are **grant management** (including capacity development of local organisations); **prosthetics, orthotics and physical therapy**; **wheeled mobility products** (including a power-assisted tricycle); **advocacy** and **employment**

The DSP now employs 25 people in total, 14 of whom are local staff. We will pass on responsibility to local staff as the programme progresses, and the expatriate team will reduce in number. 2003 saw a resolution to some initial funding difficulties, and activities are now well underway in all areas.

Upgrading the management skills of staff working at our local partner facilities is one of the most important elements of the DSP if local partners are to achieve sustainability. We have been carrying out formal theoretical and practical in-house training since September, including prosthetics, orthotics, physical therapy and wheelchair technology. Additionally, several students from our local partner organisations throughout the country are receiving specialised training overseas in the fields of rehabilitation therapy, prosthetics and orthotics and wheelchair technology.

We are working closely with all local partners to assist them to maximise their development capacity. A specially tailored training package is being developed to address partner organisations' requirements in operations management, financial management, quality and production. These capacity development training courses will commence in early 2004.

Activities in the field of wheeled mobility have concentrated on upgrading existing wheelchair designs available from local manufacturers in Sri Lanka, to bring as many products as possible up to the **"Sri Lanka Wheelchair Standards Specifications," which the Sri Lankan government adopted as a direct result of Motivation's original project here in 1998-9.**

The Motivation Charitable Trust

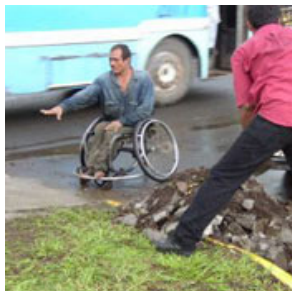
Report of the trustees

For the year ended 31 December 2003

Asia (continued)

In June, a “Job Fair” was held in support of the programme’s aim to assist disabled people into mainstream employment. There already has been much interest in this element of the programme from employers and officials alike. Fourteen people were offered jobs on the day, and to date, **over 40 people with disabilities have gained employment as a direct result of the DSP Employment Placement Program.**

2004 will see activities increase in all areas, and we are looking forward to what will no doubt prove to be a busy and exciting year for the programme.



A member of CADISCA advises on ramp building, Managua



Gait training – an essential part of an amputee’s independence. Jaffna, Sri Lanka.



Working with local groups in Tanzania to improve mobility equipment and develop management skills.

WorldMade

As part of our WorldMade programme, Motivation is setting up sustainable wheelchair services in collaboration with established local partners to **improve the quality of the lives of wheelchair users in 20 countries worldwide.**

Work in 2003 focused on finalising the design of the WorldMade wheelchair. We began discussions with potential manufacturers in the Far East, and in 2004 we aim to complete a pilot production run and user trial of wheelchairs. B&Q, Kingfisher PLC and the Four Acre Trust continue to support us in this project, and we are grateful for their ongoing commitment.

The Wheeled Mobility Service project (WMS), another element of the WorldMade programme, centres on the **development and trial of a clinical training package** that local staff will use throughout the WorldMade wheelchair distribution network. This project has close links with our Sri Lankan Disability Support Programme; the training package will be trialed with DSP therapy assistant trainees, and the WMS team is coordinating the joint DSP / WMS objective of establishing a wheelchair service network in Sri Lanka. This work was scheduled to start in 2003; however, progress was slow for several months due to delays in securing funding. We hope to resume activities early in 2004, with funding from the Diana, Princess of Wales Memorial Fund.

Other activities in 2003

We successfully completed external evaluations of the Sri Lanka Special Seating and Bangladesh Special Seating projects at the beginning of the year. These provided some excellent feedback, which we will disseminate into future programmes.

Our local partners in Afghanistan asked us to assist them in upgrading the current wheelchair design, but we postponed the trip due to ongoing concerns about security and staff safety. We are hopeful that the situation will improve sufficiently to allow us to make this visit in 2004.

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Report of the trustees

For the year ended 31 December 2003

Other activities in 2004 (continued)

We made an initial research trip to Papua New Guinea at the request of Voluntary Service Overseas (VSO); VSO are currently reviewing our recommendations in collaboration with potential partner organisations.

Future Activities

In 2004 we expect to start a second USAID funded programme; the Wheelchair Users' Support Programme (WUSP). We will be working in conjunction with a number of our existing, regional partners to address the physical, social and economic needs of people needing wheelchairs. **This programme will have a direct, positive impact on the lives of over 10,000 poor and marginalised wheelchair users in Africa, Asia and Eastern Europe.**

The key objectives of WUSP are to:

- improve access to wheelchair funding for poor and marginalised wheelchair users;
- ensure wheelchair users receive support in recognizing and accessing their rights;
- increase the number of service providers and the range of wheelchairs available;
 - equip existing service providers to sustain local interventions once the program is completed.

The value of the Wheelchair Technologists' Training Course in Tanzania has been established and there are great opportunities for its development and expansion. Having received requests from six organisations, we will be researching the feasibility of replicating the course in other, low-income regions.

We will also be carrying out research to develop a special seating programme in Africa for children with Cerebral Palsy.

UK Activities

We were delighted to receive a donation to be used specifically for the upgrade of our IT systems, particularly through the financing of new fundraising and accounting software. This investment will equip us well to meet the challenges that we face as a growing organisation.

We would like to take this opportunity to thank our donors and benefactors, whose support over the last year has been invaluable. We also wish to acknowledge the significant contribution made by our small team of volunteers, whose assistance (particularly with fundraising activities) has been invaluable. Motivation is also indebted to Mr and Mrs Rupert Ridge, whose kind donation in 1996 of the school house (now Brockley Academy), rent free for a ten year period, has enabled us to develop and consolidate a strong base from which to support our overseas work

Financial Summary

Incoming resources

Most of Motivation's income is in the form of restricted funds, usually grants from governments or non-government organisations. Restricted funds are governed by strict criteria as to how they may be applied, and only a small percentage may be used to fund the central running costs of the organisation.

The vast majority of funding is applied in the field on specific projects. Unrestricted funds may be applied to both project and central costs.

The Motivation Charitable Trust

Report of the trustees

For the year ended 31 December 2003

Incoming resource (continued)

Our total incoming resources for this year were £1,513,387 (last year £888,045). This significant growth is attributable to the increase in restricted project grants, specifically from the U.S Agency for International Development (USAID) for the Disability Support Programme in Sri Lanka.

Unrestricted income from donations, gifts, legacies, income generating activities and interest income was £290,325, a drop of 14% on last year (£338,004). Several of our key funders reported having fewer funds available in 2003, and this resulted in a reduction in the value of some regular donations. Local and small-scale fundraising activities also brought in fewer funds than anticipated. In 2004, therefore, we will focus on expanding our network of key donors, as this continues to be our most successful source of unrestricted funds.

The statement of financial activities (SOFA) and notes 2 to 5 in the accounts give a detailed schedule of incoming resources.

Resources expended

Our total expenditure for this year was £1,346,766 (last year £923,699). The 45% increase is due almost entirely to the rise in overseas project expenditure (including grants payable to our project partners), which represents 78% of our total expenditure this year.

The cost for management and administration of the charity, which includes staff time and expenses relating to governance (e.g. legal and audit costs), was £47,942 and represents 4% of total expenditure.

Fundraising costs, including the costs of raising restricted funds, were £103,032 (representing 8% of total expenditure). Support costs are those relating to the general administration of the organisation, including staff time and expenses (e.g. office costs, communications etc).

The statement of financial activities (SOFA) and notes 6 to 9 in the accounts give a detailed schedule of outgoing resources.

Conclusion

Our working capital management has improved amidst the increased level of financial activity, and we closed the year with better financial resources of £425,610 (64% more than 2002 year end position). Our improved financial position can be verified from the balance sheet and notes 12 to 16 of the accounts.

Reserves Policy

Motivation's work is multifaceted and spans a wide range of activities (including the provision of professional medical services and equipment) in many different locations (currently Asia, Central America and Africa). Such a spread of activities naturally carries an increased element of risk, and for this reason the Trustees feel that it is prudent to hold reserves.

The main risk the organisation faces is a drop in unrestricted income. Under the terms under which most project grants are obtained, only a relatively small proportion of the income can be applied to central "core" costs. Unrestricted income is therefore essential to cover the balance of these central costs, which are important to the ongoing activities of the charity. General or unrestricted income can be unpredictable in timing, so to safeguard the financial position of the charity a reserves policy has been established representing a target for unrestricted funds. Since the organisation has grown considerably in the last year in terms of income, some of the central costs also have increased. The reserves set aside to meet running costs in the event of a drop in unrestricted funds therefore need to increase accordingly, and in line with future projections, if the smooth running of the organisation is not to be impacted.

The Motivation Charitable Trust

Report of the trustees

For the year ended 31 December 2003

Reserves policy (continued)

Motivation's goal for unrestricted funds by the end of 2003 was £75,000, and we met this target successfully. The reserves policy has been reviewed taking into consideration our increased growth, and the revised reserves target is **£152,254** which represents six months' central costs (those not covered by project funding) based on 2004 projections. However, it is clear that it will take some time to reach this, and the Trustees have decided that a realistic goal for 2004 is **£102,000**, which represents four month's running costs. Our aim will be to increase steadily our reserves thereafter at a challenging but achievable level each year, with a view to reaching the target of six months running costs.

Review of Reserves Policy

This policy is reviewed annually by the Trustees/Directors.

Risk Statement

Motivation takes a holistic approach to risk management, and is always vigilant to ensure that it is an ongoing activity throughout the charity. Key staff and managers are actively involved in the process of identifying risks, to ensure that all aspects of the charity's operations are considered in the risk management process. Risks are identified in the key areas of property, finance, personnel, reputation, information, law, politics, and operations.

Identified risks are scored in terms of probability, potential impact and level of concern, and ranked by priority according to the results of this process. All risks are incorporated into the organisation's Risk Register, and a plan of action is agreed for each risk, with high priority risks taking precedence. We review the progress towards the action plan at every Board meeting, and any new risks that have been identified are discussed and added to the register as above.

Our policy for building our financial reserves reflects our approach to risk identification & management.

Responsibilities of the trustees

Charity law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charity as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the period then ended.

In preparing those financial statements which give a true and fair view, the trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue on that basis

The Motivation Charitable Trust

Report of the trustees

For the year ended 31 December 2003

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 1993.

The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees

The trustees who served as charity trustees during the year and up to the date of this report were as follows:

Scott Glickman FRCS	Steven Fogel LLB LLM
Prue Bramwell-Davies MSDC FRCA	Vivien Gardner ACA

The trustees have no beneficial interest in the charity.

Method of appointment of trustees

New trustees are chosen by the board of trustees and may hold their position for life. The charity currently has four trustees (the agreed minimum number is three), and there are no plans to increase this number at present.

Trustees are nominated by members of the board or by the Executive Officers. Prospective trustees undergo an application process which includes attendance of a trustees meeting, and will be appointed where all trustees are in agreement.

Newly appointed trustees are supported in their role by the Charity Secretary, who ensures that they are fully aware of the organisation's objectives and governing documents, and with the responsibilities of trustees/directors.

The Motivation Charitable Trust

Report of the trustees

For the year ended 31 December 2003

Auditors

Sayer Vincent have expressed their willingness to continue as auditors and offer themselves for re-

Approved by the trustees on 21 June 2004 and signed on their behalf by

Scott Glickman - Chairman

Independent auditors' report

To the members of

The Motivation Charitable Trust

We have audited the financial statements of The Motivation Charitable Trust for the year ended 31 December 2003 which comprise the statement of financial activities, balance sheet and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and auditors

The responsibilities of the trustees (who are also directors of The Motivation Charitable Trust for the purposes of company law) for preparing the report of the trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the statement of responsibilities of the trustees. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the report of the trustees is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding the trustees' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the report of the trustees and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the charitable company's state of affairs as at 31 December 2003 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

SAYER VINCENT
Chartered accountants & registered auditors
London

The Motivation Charitable Trust

Statement of Financial Activities (Incorporating an income and expenditure account)

For the year ended 31 December 2003

	Note	Restricted £	Unrestricted £	2003 Total £	2002 Total £
Incoming resources					
<i>Donations, gifts and legacies:</i>	3	-	253,397	253,397	298,114
<i>Activities in furtherance of the Charity's objects:</i>	2	1,223,012	-	1,223,012	534,375
<i>Activities for generating funds:</i>		50	29,349	29,399	26,393
<i>Investment income:</i>	4	-	1,248	1,248	858
<i>Other income:</i>	5	-	6,331	6,331	28,305
Total incoming resources		<u>1,223,062</u>	<u>290,325</u>	<u>1,513,387</u>	<u>888,045</u>
Fundraising		-	103,032	103,032	137,731
Net incoming resources available for charitable application		<u>1,223,062</u>	<u>187,293</u>	<u>1,410,355</u>	<u>750,314</u>
<i>Charitable expenditure</i>					
Costs of activities in furtherance of the objects of the charity:					
Grants payable	7	259,655	-	259,655	85,402
Project expenditure:					
Overseas projects		711,349	-	711,349	423,560
UK projects		15,171	-	15,171	3,033
Development and research		97,683	-	97,683	128,368
Support costs		-	111,934	111,934	87,084
Management and administration		-	47,942	47,942	58,521
Total charitable expenditure		<u>1,083,858</u>	<u>159,876</u>	<u>1,243,734</u>	<u>785,968</u>
Total resources expended	6	<u>1,083,858</u>	<u>262,908</u>	<u>1,346,766</u>	<u>923,699</u>
Net incoming resources before transfers	9	139,204	27,417	166,621	(35,654)
Transfer between funds	16	(916)	916	-	-
Net movement in funds		138,288	28,333	166,621	(35,654)
Funds at 1 January 2003		<u>141,285</u>	<u>117,704</u>	<u>258,989</u>	<u>294,643</u>
Funds at 31 December 2003	15	<u><u>279,573</u></u>	<u><u>146,037</u></u>	<u><u>425,610</u></u>	<u><u>258,989</u></u>

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 16 to the financial statements.

The Motivation Charitable Trust

Balance sheet

As at 31 December 2003

		2003	2002
	Note	£	£
Tangible fixed assets	12	63,550	<u>35,276</u>
Current assets			
Debtors	13	120,997	52,562
Cash at bank and in hand		<u>272,581</u>	<u>222,815</u>
		393,578	275,377
Creditors: Amounts falling due within one year	14	<u>31,518</u>	<u>51,664</u>
Net current assets		<u>362,060</u>	<u>223,713</u>
Net assets		<u><u>425,610</u></u>	<u><u>258,989</u></u>
Funds			
Restricted funds	15	279,573	141,285
Unrestricted funds:			
General funds	15	<u>146,037</u>	<u>117,704</u>
Total funds	16	<u><u>425,610</u></u>	<u><u>258,989</u></u>

Approved by the trustees on 21 June 2004 and signed on their behalf by

Scott Glickman - Chair

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Notes to the financial statements

For the year ended 31 December 2003

1. Accounting policies

- a) **Accounting convention:** The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. They follow the recommendations in the *Statement of Recommended Practice, Accounting and Reporting by Charities* (SORP 2000) and the Companies Act 1985.
- b) **Incoming resources:** All income is included in full in the Statement of Financial Activities when receivable and measurable with accuracy. Income is deferred if it has been received but relates to a specific future period or is dependent upon conditions to be fulfilled by the charity.
- i) Voluntary income is received by way of donations and gifts.
 - ii) Intangible income and gifts in kind are included as income and, when distributed, expenditure under the appropriate account. Gifts in kind are valued by reference to the cost which would have been incurred in an arms length transaction which is then reviewed and revised according to the estimated gross value to the charity (see note 8).
 - iii) Legacies are recognised when receipt is certain and when the value can be measured with sufficient reliability. This is deemed to occur when the personal representative of an estate advises the charity of the transfer of assets.
 - iv) Revenue grants are credited to the Statement of Financial Activities when receivable.
 - v) Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable. Depreciation of fixed assets purchased with such grants is charged against the restricted fund.
- c) **Funds accounting:**
- i) Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.
 - ii) Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes. Any accumulated surplus remains in General funds to be used at the discretion of the Trustees in pursuing the charity's objectives.
 - iii) Designated funds are unrestricted funds earmarked by the trustees for particular purposes. Such funds are set aside when income is recognised.
- d) **Resources expended:** Expenditure is recognised when incurred.
- i) Staff costs are allocated to activities on the basis of staff time spent on those activities.
 - ii) Administrative overheads are allocated to charitable activities according to funder specifications. Remaining overheads are split between support and management activities on the basis of staff time incurred. Comparatives have been restated using the same basis for apportionment.
 - iii) Project costs incurred overseas are included under appropriate headings in the resources expended.
 - iv) All organisations to which grants are made are approved by the trustees. Grants payable are accrued in the financial statements on the basis of periodic monitoring reports supplied by the grant recipient.

The Motivation Charitable Trust

Notes to the financial statements

For the year ended 31 December 2003

1. Accounting policies (cont'd)

- e) **Costs of generating funds:** These relate to the costs incurred by the charitable company in raising both restricted and unrestricted funds for the charitable work and include salaries, direct expenditure and overhead costs of fundraising staff.
- f) **Support costs:** These relate to costs incurred by staff directly providing support to project work. Costs are allocated on the basis of staff time incurred and proportion of overhead expenses.
- g) **Management and administration costs:** These include the management of the charity's assets, organisational management and compliance with constitutional and statutory requirements.
- h) **Tangible fixed assets:** UK Expenditure on fixed assets is capitalised where it exceeds £300. Project expenditure on fixed assets is written off in full to the project as specified by the funder. At the end of each project assets are either handed over to the local partner to enable the continuation of work locally, or are revalued and capitalised on their return to the UK.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life. The depreciation rates in use are as follows:

Office Furniture and Equipment :	20%
Leasehold Improvements:	10%
Computer equipment:	20%
Website:	33%

Impairment reviews of all fixed assets are carried out annually.

- i) **Liabilities:** Liabilities are recognised when a future obligation resulting in the outflow of funds arises which can be measured reliably. Liabilities are disclosed but not recognised if conditions have to be met before payment is made. When future outflow is probable, but not contractual, and measurable with sufficient accuracy a provision is recognised.
- j) **Pension contributions:** The charitable company makes contributions on behalf of its employees into their personal pension funds. The amounts charged in the Statement of Financial Activities represent the contributions payable to the funds in respect of the accounting period. Outstanding pension contributions at the year end are included in creditors.
- k) **Foreign currency transactions:** Transactions denominated in foreign currencies are translated into UK sterling at the average rate of exchange for the month of the transaction. Assets and liabilities in foreign currencies are translated into UK Sterling at rates of exchange ruling at the end of the financial year. All exchange differences are dealt with in the Statement of Financial Activities.

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Notes to the financial statements

For the year ended 31 December 2003

2. Activities in furtherance of the charity's objects		
	2003	2002
Restricted income: grants	Total	Total
	£	£
<i>for Grants payable:</i>		
European Commission:		
Russia 2000 (PHARE)	-	17,193
Department for International Development:		
Central America - Cadisca	-	4,357
Community Fund:		
Sri Lanka Special Seating Support Phase (SIA)	-	6,000
Isle of Man Overseas Committee IMOC:		
Cadisca-Women's Sewing	10,407	-
Other trusts, foundations and companies:	14,100	46,692
	24,507	74,242
<i>Donations for grants payable:</i>	5,101	29,985
Total restricted income for grants payable	29,608	104,227
<i>for Projects:</i>		
Diana, Princess of Wales Memorial Fund:		
Wheelchair Mobility Services (WorldMade)	51,029	-
Department for International Development:		
Africa	55,546	-
Agency for Personal Service Overseas (APSO):		
Sri Lanka Special Seating	-	2,584
USAID:		
Disability Support Program	833,955	155,684
Jersey Overseas Aid:		
Africa Development	-	15,585
Other trusts, foundations and companies	149,300	43,025
	1,089,830	216,878
<i>Project donations:</i>	53,532	76,227
Total restricted project income	1,143,362	293,105
<i>for Research and Development:</i>		
USAID:		
Preproject Costs	-	5,389
Voluntary Service Organisation:		
Papua New Guinea Research	10,042	-
Department for International Development:		
Knowledge and Research (KaR) WorldMade 1	-	35,328
Other Trusts, Foundations and Companies	40,000	16,326
	50,042	57,043
<i>Research and development donations:</i>	-	80,000
Total restricted research and development income	50,042	137,043
Total restricted grants and donations:	1,223,012	534,375
Of which grants:	1,164,379	348,163
Of which donations:	58,633	186,212

The Motivation Charitable Trust

Notes to the financial statements

For the year ended 31 December 2003

3. Donations, gifts and legacies	Restricted	Unrestricted	Total	Total
	Funds	Funds	2003	2002
	£	£	£	£
Donations	-	202,634	202,634	282,176
Gifts in kind (see note 8)	-	11,075	11,075	15,938
Legacies	-	39,688	39,688	-
	-	253,397	253,397	298,114

Total 'Donations, gifts and legacies', and 'Restricted project income' include amounts over £10,000 from the following trusts, foundations and companies:

Restricted:

The Diana, Princess of Wales Memorial Fund
 Four Acre Trust
 B & Q
 Kingfisher plc

Unrestricted:

Maureen Lillian Trust
 Joseph Levy Charitable Foundation
 Peacock Trust
 The Heathside Charitable Trust
 Betty Gunter Trust
 Estate of Mrs J E Huntley-Bullock
 Parthenon Trust
 RH Southern Trust

Grants have not been disclosed from those donors wishing to remain anonymous.

4. Investment Income	Total	Total
	2003	2002
	£	£
Bank Interest	1,248	858

5. Other Income	Restricted	Unrestricted	Total	Total
	Funds	Funds	2003	2002
Sundry Income	-	-	-	15,627
Exchange Rate Gain	-	5,560	5,560	11,523
Royalties	-	771	771	1,155
	-	6,331	6,331	28,305

The Motivation Charitable Trust

Notes to the financial statements

For the year ended 31 December 2003

6. Total resources expended

	Grants payable £	Project expenditure overseas £	Project expenditure UK £	Development & research £	Support costs £	Fundraising and publicity £	Management and administration £	2003 Total £	2002 Total £
Grants payable (note 7)	259,655	-	-	-	-	-	-	259,655	85,402
Direct project costs	-	179,407	-	14,111	-	-	-	193,518	94,048
Staff costs (Note 10)	-	257,709	-	53,874	84,003	64,998	32,065	492,649	472,801
Recruitment and other staff Cost	-	6,108	-	1,689	1,625	2,998	-	12,420	7,963
Accommodation	-	55,792	-	3,007	388	726	-	59,913	26,768
Professional fees	-	25,350	2,517	8,352	1,919	2,962	14,068	55,168	60,590
Insurance	-	7,599	-	761	3,827	-	1,313	13,500	10,191
Office costs	-	7,122	-	1,346	6,507	4,955	-	19,930	57,654
Travel	-	46,292	-	11,715	1,401	2,777	325	62,510	49,393
FR/PR costs	-	7,985	-	-	976	21,760	-	30,721	9,846
Refurbishing and office resources	-	75,108	-	897	860	685	171	77,721	16,071
Utilities	-	13,734	-	305	215	-	-	14,254	2,069
Depreciation	-	8,041	12,654	1,523	7,541	-	-	29,759	17,932
Bank charges	-	1,369	-	103	727	1,141	-	3,340	3,063
Foreign exchange loss	-	19,733	-	-	1,755	-	-	21,488	7,064
Sundry expenditure	-	-	-	-	190	30	-	220	2,844
Total resources expended	259,655	711,349	15,171	97,683	111,934	103,032	47,942	1,346,766	923,699

The Motivation Charitable Trust

Notes to the financial statements

For the year ended 31 December 2003

7. Grants

	2003	2002
	£	£
Rehabilitation and training programmes		
CADISCA -Architectural Barriers	8,010	-
CADISCA -Women's Rights Project	-	12,364
CADISCA -Capacity Development	1,000	-
Cambodia Bug Run	-	2,245
Russia Phare	-	24,007
Romania	-	400
Sri Lanka Disability Support Programme	222,463	-
Sri Lanka - Special Seating Programme	1,506	13,408
Sri Lanka Wheelchair Fund	6,827	284
Sri Lanka Income Generation (Rehab Lanka)	8,024	5,600
Africa Wheelchair Fund	7,518	1,269
Africa KCMC	510	7,974
Africa Other Workshops	3,561	17,851
Africa WTTC Development	236	-
	<u>259,655</u>	<u>85,402</u>

Grants payable to partner organisations are considered to be part of the costs of activities in furtherance of the objects of the charity because they enable project work initiated by the charity to be continued locally for sustainable long-term benefits. Grants are only awarded to organisations with a history of project participation with the charity and are monitored on a regular basis.

8. Gifts in kind and intangible income

	Restricted Funds £	Unrestricted Funds £	2003 Total £	2002 Total £
Direct costs - equipment rental & maintenance	-	1,333	1,333	262
Printing	-	708	708	3,506
Fundraising and PR	-	2,722	2,722	1,000
Travel	-	-	-	4,158
Legal and professional fees	-	4,333	4,333	2,979
Office supplies and resources	-	198	198	101
Stationery	-	1,782	1,782	3,932
	<u>-</u>	<u>11,076</u>	<u>11,076</u>	<u>15,938</u>

Gifts in kind and intangible income are valued according to their gross value to the charity. This is calculated by reviewing the cost which would have been incurred in an arms length transaction by comparison to the estimated value to the charity.

The Motivation Charitable Trust

Notes to the financial statements

For the year ended 31 December 2003

9. Net incoming resources for the year

This is stated after charging / crediting:

	2003	2002
	£	£
Employee indemnity insurance (incl. trustees' Indemnity)	1,313	1,013
Trustees' remuneration	-	-
Trustees' reimbursed expenses	-	-
Depreciation	29,756	17,932
Auditors' remuneration:		
▪ Audit	6,700	6,500
	<u>6,700</u>	<u>6,500</u>

10. Staff costs and numbers

Staff costs were as follows:

	2003	2002
	£	£
Salaries and wages	451,676	444,762
Social security costs	33,730	20,093
Pension	7,243	7,946
	<u>492,649</u>	<u>472,801</u>

Total emoluments paid to staff were:

	<u>458,919</u>	<u>452,708</u>
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No employee earned more than £50,000 during the year.

The average weekly number of employees (full-time equivalent) during the year was as follows:

	2003	2002
	No.	No.
Projects	8	15
Development and research	3	2
Support	6	2
Management and administration	1	1
Fundraising and publicity	4	4
	<u>22</u>	<u>24</u>

The Motivation Charitable Trust

Notes to the financial statements

For the year ended 31 December 2003

11. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

12. Tangible fixed assets

	Computer equipment £	Website £	Leasehold improvements £	Office furniture & equipment £	Totals £
COST					
At 1 January 2003	32,570	20,000	44,932	9,732	107,234
Additions in year	<u>46,296</u>	<u>-</u>	<u>732</u>	<u>11,002</u>	<u>58,030</u>
At 31 December 2003	<u>78,866</u>	<u>20,000</u>	<u>45,664</u>	<u>20,734</u>	<u>165,264</u>
DEPRECIATION					
At 1 January 2003	21,933	13,334	26,959	9,732	71,958
Charge for the year	<u>15,774</u>	<u>6,666</u>	<u>4,566</u>	<u>2,750</u>	<u>29,756</u>
At 31 December 2003	<u>37,707</u>	<u>20,000</u>	<u>31,525</u>	<u>12,482</u>	<u>101,714</u>
NET BOOK VALUE					
At 31 December 2003	<u>41,159</u>	<u>-</u>	<u>14,139</u>	<u>8,252</u>	<u>63,550</u>
At 1 January 2003	<u>10,637</u>	<u>6,666</u>	<u>17,973</u>	<u>-</u>	<u>35,276</u>

All tangible fixed assets are used for direct charitable purposes.

13. Debtors

	2003 £	2002 £
Tax Reclaimable	-	2,312
Trade Debtors	118,049	50,250
Other Debtors	<u>2,948</u>	<u>-</u>
	<u>120,997</u>	<u>52,562</u>

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Notes to the financial statements

For the year ended 31 December 2003

14. Creditors : Amounts Falling Due Within One Year

	2003	2002
	£	£
Taxation and social security	10,328	6,811
Pension contributions	293	936
Sundry creditors	14,197	37,417
Accruals	6,700	6,500
	<u>31,518</u>	<u>51,664</u>

15. Analysis of net assets between funds

	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	46,122	17,428	63,550
Current assets	243,135	150,443	393,578
Current liabilities	<u>(9,684)</u>	<u>(21,834)</u>	(31,518)
Net assets at 31 December 2003	<u>279,573</u>	<u>146,037</u>	<u>425,610</u>

The Motivation Charitable Trust

Notes to the financial statements

For the year ended 31 December 2003

16. Movements in funds

	At 1 January 2003 £	Incoming Resources £	Outgoing Resources £	Transfers between funds £	At 31 December 2003 £
Restricted funds:					
Overseas					
Africa:					
Africa W TTC Development	8,530	28,128	(20,562)	(4,935)	11,161
Africa W TTC USAID	(13,240)	23,920	(27,189)	4,092	(12,417)
3rd All Africa Congress-Zambia	-	24,500	(27,026)	-	(2,526)
Africa DPO Development	4,038	5,103	(5,932)	-	3,209
Africa Design Development	25,731	17,377	(25,784)	-	17,324
Africa Wheelchair Fund	12,538	2,000	(8,910)	1	5,629
Africa KCMC	-	-	(515)	515	-
Africa - other workshops	(1,294)	5,101	(4,947)	1,140	-
Zimbabwe A R Camp	13	-	-	(13)	-
Africa student sponsorship	-	10,100	(736)	-	9,364
Africa technologist workshop	-	-	-	3,989	3,989
Asia:					
Sri Lanka Special Seating Programme	11,439	-	(21,402)	-	(9,963)
Sri Lanka Income Generation	7,124	2,000	(8,224)	(4)	896
Sri Lanka Disability Support Project	9,698	833,955	(796,658)	-	46,995
Sri Lanka Small Grants Project	5,727	-	(4)	(5,723)	-
Sri Lanka Wheelchair Fund (SIA)	6,827	-	(6,827)	-	-
Central America:					
CADISCA-Capacity Development	6,858	-	(6,199)	1	660
Central America Womens Rights	1,083	-	(1,083)	-	-
Central America Architectural Barriers	8,000	-	(8,000)	-	-
CADISCA-Women's Sewing	-	10,407	(1,009)	-	9,398
Europe:					
Russia 2000 (PHARE)	1,367	-	-	-	1,367
<i>Development and Research projects:</i>					
USAID Technical Evaluation	7	-	-	(7)	-
Papua New Guinea Research	-	10,042	(10,070)	28	-
Kar - WorldMade 1	58	-	(17)	(41)	-
WorldMade R&D	19,489	-	(19,449)	(40)	-
WorldMade Wch Mobility Service	-	51,029	(14,703)	-	36,326
WorldMade Design & production	-	159,400	(53,012)	81	106,469
WUSP (pre project cost)	-	-	(429)	-	(429)
UK based projects:					
Premises & improvement	27,292	-	(4,493)	32,642	55,441
IT Development	-	40,000	(10,678)	(32,642)	(3,320)
Total restricted funds	141,285	1,223,062	(1,083,858)	(916)	279,573
Unrestricted funds:					
General Funds	117,704	290,325	(262,908)	916	146,037
Total unrestricted funds	117,704	290,325	(262,908)	916	146,037
Total funds	258,989	1,513,387	(1,346,766)	-	425,610

The Motivation Charitable Trust

Notes to the financial statements

For the year ended 31 December 2003

16. Movements in funds (cont'd)

Transfers relate to the following situations:

- a) Project balance financed by unrestricted funds.
- b) Surplus funds from completed projects used - following the Funder's authorisation - to finance similar local projects.
- c) A transfer from the IT Development fund transferring the net book value of assets purchased during the year to the Premises and Improvement fund. This fund is now in deficit representing a overspend on the original grant for which funding is expected in the next period.

Purpose of restricted funds

Africa:

Africa WTTC Development	Activities relating to the development and replication of the Wheelchair Technologist Training Course (WTTC) in Tanzania
Africa WTTC (USAID)	Development of the WTTC course 2002-2004, supported indirectly by USAID via a local institution in Tanzania.
3rd All Africa Congress	Grant from KAR-DFID to finance knowledge sharing at the 3rd all Africa Wheelchair Congress in Zambia
Africa DPO Design	Capacity development of Disabled People Organisations in Africa
Africa Design Development	Development of appropriate mobility equipment designs for Africa
Africa Wheelchair fund	Grant programme for sponsorship of wheelchairs in Africa
Africa KCMC / Africa Other Workshops	Two grant programmes to support wheelchair workshops in Africa both programmes are now closed and remaining funds transferred to the Wheelchair Technologist Workshop grant
Zimbabwe AR Camp	Grant programme to fund active rehabilitation of disable people in Zimbabwe. This programme ceases in 2003.
Africa Student sponsorship	New grant programme created to support students in Africa to attend WTTC in Tanzania.
Wheelchair Technologist workshop	New grant programme for start-up support for graduates from WTTC for the establishment of comprehensive sustainable wheelchair services in Africa
Africa Student sponsorship	Grant to support students to attend the Wheelchair technologist training course in Tanzania

Asia:

Sri Lanka Special Seating Programme	EC funded programme for developing a special seating service for children with cerebral palsy.
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The Motivation Charitable Trust

Notes to the financial statements

For the year ended 31 December 2003

Sri Lanka Income Generation	To assist the continued activities of local disability organisation in Sri Lanka.
Sri Lanka Disability Support Programme	USAID funded programme to enhance the equipment and rehabilitation service provision and opportunities for people with disability in Sri Lanka.
Sri Lanka Small Grants Project	A local grant from the Canadian High Commission to assist in the delivery of health education for spinal cord injury patients in Sri Lanka.
Sri Lanka Wheelchair fund	To provide appropriate wheelchairs and other mobility equipment for people in Sri Lanka for those who would otherwise not be able to afford them.
Central America:	
CADISCA-Capacity Development	To fund a project in El Salvador to help the local organisation CADISCA to introduce a Motivation style project in Honduras.
Central America Women's Rights	To fund a training and awareness project for women with disabilities in Central America.
Central America Architectural barriers	To fund the removal of physical barriers and the installation of ramps in Managua to improve access for people with disabilities.
Central America Women's Sewing	To fund integration into workplace of disabled mothers in Central America through training in professional dressmaking.
Europe:	
Russia PHARE	A project to establish a national training centre for special seating in Moscow, expand the availability of special seating for children with cerebral palsy throughout Russia and set up a parent support centre.
Development & Research projects:	
USAID Technical Evaluation	To fund the evaluation of current service provision in Sri Lanka by a Prosthetics and Orthotics specialist.
Papua New Guinea Research	Research trip at the invitation of VSO to assess current wheelchair provision in PNG and report to stakeholders on potential for service development.
WorldMade	Major programme for mass supply of appropriate wheelchairs through a global service network.
WUSP (pre project cost)	Initial cost related to the new Wheelchair User Support programme (WUSP) financed by USAID for establishing and managing wheelchair provision services through grantees in three regions of the world.
UK Projects:	
Premises & Improvements	Restricted funds of capitalised fixed assets equipment and leasehold improvements for future depreciation.
IT Development	Development of Motivation UK fundraising and accounting capacity through acquisition of appropriate IT hardware and software.