

Company no. 3916496
Charity no. 1079358

Motivation Charitable Trust
Report and Financial Statements
31 December 2005

Motivation Charitable Trust

Reference and administrative details

For the year ended 31 December 2005

Company number 3916496

Charity number 1079358

Registered office and operational address
Brockley Academy
Brockley Lane
Backwell
BRISTOL
BS48 4AQ

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Scott Glickman	FRCS	Chairman
Vivien Gardener	ACA	Treasurer
Prue Bramwell-Davies	MSDC FRCA	
Steven Fogel	LLB LLM ACI Arb	
Nicholas Allott		
Andrew Olver	(appointed November 2005)	

Principal staff
David Constantine
Richard Frost

Bankers
National Westminster Bank Plc
21a Somerset Square
Nailsea
Bristol
BS99 5ES

Auditors
Sayer Vincent
Chartered accountants and registered auditors
8 Angel Gate
City Road
London
EC1V 2SJ

Motivation Charitable Trust

Report of the trustees

For the year ended 31 December 2005

The trustees present their report and the audited financial statements for the year ended 31 December 2005.

Legal and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities (issued in March 2005).

Structure, Governance and Management

A memorandum and articles of association jointly form Motivation's governing document. Motivation began life as a trust in 1991, and incorporated as a limited company in 2000. The decision to incorporate was taken by the Trustees in recognition of the steady growth and influence of the charity.

Each of our Trustees/Directors may hold his/her office for life, and all current officers have a good understanding of the organisation. In addition, each brings specialist knowledge from his/her particular field of expertise (e.g. medicine, design, law, accountancy and entrepreneurship) that is useful to the charity. New trustees are recruited when gaps in the skills level of the board are identified, or when an existing trustee resigns. The organisation favours the recruitment of trustees who already have a connection with the charity. A prospective trustee will submit his/her curriculum vitae for scrutiny by the board, and if deemed suitable will be invited to attend a regular trustees meeting as a guest. The board will subsequently decide jointly if the applicant should be appointed, subject to satisfactory references.

Induction of new trustees is managed by the Company Secretary, following the NCVO induction toolkit "Inducting and Supporting Trustees". Trustees may request training through the charity secretary, and the charity secretary will from time to time notify the trustees of relevant courses. However, standard practise would be for the charity secretary to attend relevant training courses and then to report to the trustees on key issues.

Decision making

The Executive Officers are responsible for programme development and implementation of the organisation's Development Plan, which is drafted by key staff and approved by the Trustees/Directors prior to implementation. The Executive Officers take decisions about which programmes Motivation will run (based on the strategic objectives of the organisational Development Plan) and are responsible for the implementation of those programmes under the guidance of the Trustees. The Executive Officers are also responsible for recruiting and promoting staff, based on a salary structure that is reviewed regularly and approved by the Trustees.

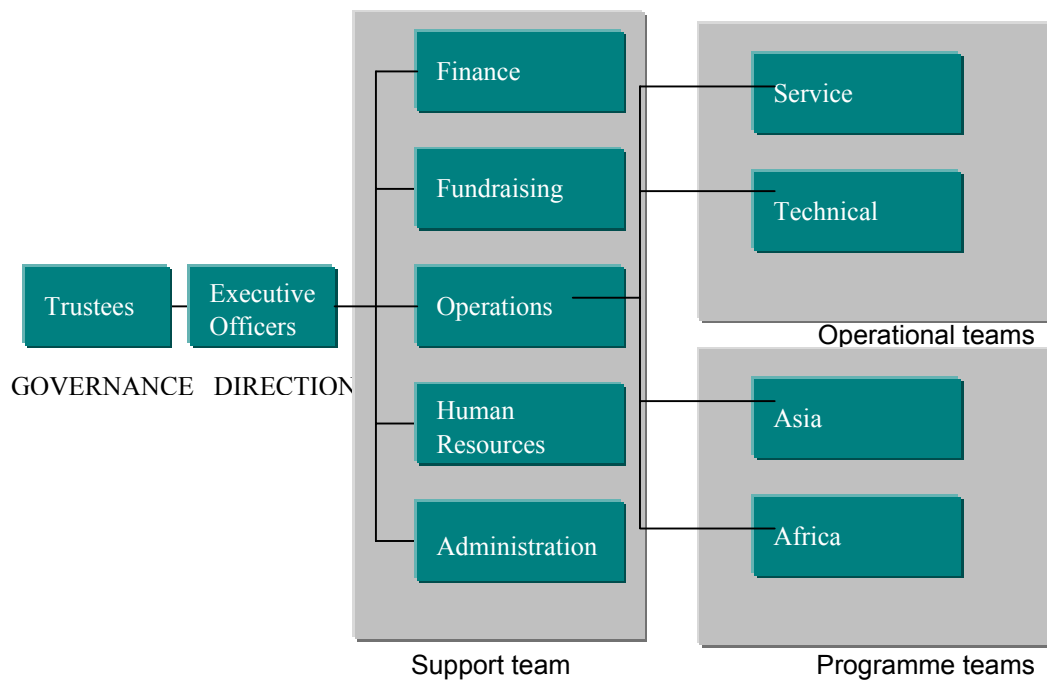
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Organisational structure

The organisational structure is divided into governance, support teams, operational teams and programme teams.



Support teams:

The support teams are based in the UK to perform the following:

- Finance team is responsible for overall financial management and reporting, administration and governance issues for the charity;
- Fundraising team is responsible to raise funds for all organisational activities;
- Operations team is responsible for supporting international programme activities, organisational development and knowledge management;
- Human resources team is responsible for staff development and deployment;
- Administration team is responsible for organisational administration.

Operational teams:

- Technical team is responsible for the design of mobility products
- Service team is responsible for developing training packages to ensure that mobility products are accessed through a trained local service

Programme teams:

- South Asia regional activities are coordinated through the Sri Lanka office;
- Africa regional activities are currently managed through the UK office;
- Programme development activities in Eastern Europe and Latin America are managed through the UK office.

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Volunteers

Motivation is indebted to a small group of core volunteers, who assist our programme work in UK and overseas, fundraising and administration departments on a regular, part-time basis.

Related organisations

Motivation does not have any subsidiaries or connected organisations. 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).

Objectives of a charity

Motivation Charitable Trust is an international disability and development agency working in low-income countries to enhance the quality of life of people with mobility disabilities.

The objects of the charity are:

- (a) to relieve people with disabilities by methods including (without prejudice to the generality of the foregoing) the following:
 - undertaking, facilitating and improving the design, constructions and fabrication of equipment, machines, computer programmes and objects of any description for use by or in the rehabilitation of people with disabilities and their relatives and carers.
 - educating and informing the public in relation to the undertaking, facilitation and improvement in the design, construction and fabrication of such equipment, machinery, computer programmes and objects.
 - providing training, education and information in relation to the rehabilitation of people with disabilities and their relatives and carers.
- (b) The benefit of such one or more charitable institutions or for such other charitable purposes in any part of the world as the Directors from time to time in their absolute discretion think fit.

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Since 1991 we have helped over 37,000 individuals and their families in over thirty countries across Central America, Africa, Eastern Europe, Asia and the Pacific to meet their immediate mobility needs and to create the space for disabled people to participate in society as equal citizens. Our work with disabled people is vital in the fight against poverty and prejudice and we believe that mobility is an essential human right that enables people to achieve inclusion in all aspects of life. Our programmes aim to improve opportunities that positively impact on disabled people's physical, social and economic situation through four essential interrelated areas of intervention:



Achievements and performances

The following section illustrates some of our achievements in 2005; further details of our work are available on our website (www.motivation.org.uk) or can be obtained by contacting our UK office.

Mobility products and services : The design of low-cost, suitable mobility devices (wheelchairs, supportive seating and artificial limbs) distributed through a variety of trained services developed to offer disabled people access to mobility equipment, education and peer support appropriate to their individual needs, environment and lifestyle.

Achievements:

Worldmade is a global programme to supply large numbers of suitable wheelchairs to people with disabilities in low-income countries. Worldmade wheelchairs are specifically made for use in rough terrain, and are adjustable to meet the needs of each individual user. These chairs are designed by Motivation, produced by a professional wheelchair manufacturer in Eastern China, flat packed and delivered to local wheelchair services at a target cost of USD150 each. In 2005, a total of **1050 Worldmade chairs were delivered** to local organisations in Sri Lanka, Papua New Guinea, South Africa, Nepal and India, and this number is expected to increase to around 3000 wheelchairs in 2006.

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Worldmade wheelchairs are delivered with the associated training needed to ensure that the chairs are properly prescribed, assembled and maintained. This training was further developed in 2005 and formulated into the “Fit for Life” © training packages described below:

- A 15 day “Fit for Life” Worldmade rural wheelchair *assembly* course gives wheelchair technicians an introduction to wheelchairs and wheelchair users, demonstrates the importance of correctly fitting wheelchairs and teaches the assembly and maintenance of this particular chair;
- A 15 day “Fit for Life” *prescription* training course specifically targets the skills required by wheelchair services in low-income countries to successfully assess and prescribe a wheelchair, and provides wheelchair users with basic instruction in using their chair.

Fifty-six trainees graduated from “Fit for Life” training courses delivered in Sri Lanka and Papua New Guinea in 2005, and this figure is set to increase significantly in 2006.



Worldmade in Sri Lanka



Fit for Life prescription course training materials



Lakshmi using her orthosis fitted by local staff

Wheelchair services play a key role in ensuring available wheelchairs are of good quality and appropriate to the environment in which they are used. They are the link between the product and the people who use them, and are instrumental in ensuring that users have access to a wheelchair that meets their needs and can help them achieve their goals. In 2005, Motivation published the *Wheelchair Service Guide for Low Income Countries* which has been distributed to grassroots wheelchair services, as well as to the World Health Organisation, the International Committee of the Red Cross and Handicap International, who have all purchased extra copies for their regional offices.

In 2005, the International Society for Prosthetics and Orthotics (ISPO) evaluated and accredited Motivation’s Wheelchair Technologists Training Course (W TTC), set up in partnership with The Tanzania Training Centre of Orthopaedic Technologists (TATCOT) in 1999. The course is the first of its kind in the world, and its accreditation marks a landmark in the development of this important profession.

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*Professional Wheelchair
Technologist assessing a client for
suitable wheelchair*

*Kitsiri is prescribed a
Worldmade wheelchair that
meets his individual needs*

*Follow-up services are essential
in rural Uganda*

As part of the United States Agency for International Development (USAID) funded Wheelchair Users Support Programme (WUSP), a peer group training conference was held in Romania in May, attended by 16 representatives of Disabled People's Organisations (DPOs) from eight countries (Tanzania, South Africa, Zimbabwe, Serbia, Uganda, Sri Lanka, Moldova and Romania). Peer group training is an integrated approach that involves experienced wheelchair users training other users in issues such as life and mobility skills, health, rights and wheelchair maintenance. Following the conference, applications for grants to run peer group training programmes were received from all of the attending organisations, and grants amounting to nearly £21,000 were subsequently made from WUSP funds.

Other achievements in 2005:

- A hand powered trike was designed and produced in collaboration with graduates of the WTTC (a course developed by Motivation and now delivered by TATCOT in Tanzania);
- A simplified, three-wheeled wheelchair design was introduced to the WTTC curriculum;
- In Sri Lanka, as part of our USAID funded Disability Support Programme (DSP), we worked in collaboration with a local organisation to add a power-assisted trike design to their portfolio of products;
- In Sri Lanka, a number of local staff returned from a three year prosthetic and orthotic training course in Cambodia, and took up their places as technicians and trainers at disabled people's organisations working with Motivation through the USAID funded DSP.

Challenges:

- Finalising production issues with the manufacturers of the Worldmade chair took longer than anticipated, meaning that we did not reach our distribution targets for 2005. 2006 figures have been amended to address the deficit.
- Funding is still needed to run extensive trials of the Worldmade 4-wheeler design.
- Appropriate transportation systems are non-existent in Africa and Disabled People's Organisations do not have their own vehicles, presenting a significant challenge to their work.
- There has been limited success in forming sustainable strategic alliances between Disabled People's Organisations.
- Lack of the appropriate skills in training and financing of the wheelchairs.

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Future plans:

- A four-wheeled chair is to be added to the Worldmade portfolio of products and training. A prototype has been developed, but currently we lack funding to carry out essential user trials.
- Increase the volume of distribution of Worldmade chairs and training, and extend to other regions. We have received a lot of interest in Worldmade from relief organisations, one of which is carrying out extensive trials of the chair in Angola.
- Upgrading wheelchair designs in Afghanistan.
- Promote the integration of peer group support into mobility services, to ensure that all Motivation beneficiaries have access to it
- Initiate community based supportive seating programme to expand the services currently available in Sri Lanka (currently largely centred on the Colombo based service initiated by Motivation in 2000).

Developing supportive seating initiatives in Africa.

Rights: Raising awareness of the rights of disabled people through advocacy and empowerment from grassroots through to policy level.

Achievements:

Motivation worked with the Spinal Injuries Association (SIA) in Sri Lanka to replace individual mobility equipment lost in the devastating Asian tsunami at the end of 2004, and more widely with a consortium of disabled people's organisations to ensure that the needs of people with mobility disabilities are addressed in all post- tsunami regeneration and development programmes.

A high profile advocacy campaign, "Access for All", was run throughout 2005, and ongoing consultation with the government led to a directive making it a legal requirement that all public buildings in the post tsunami construction are accessible to people with disabilities.

In order to enable this directive to be met, Motivation's *Architectural Access* programme has administered grants to modify eight existing buildings: four hospitals, two Disabled People's Organisations, and two schools (including one for people with visual impairments). The programme also involves raising awareness and giving technical advice to government ministries and relief agencies to ensure new buildings are accessible. 3000 accessibility guidelines books published by the Ministry of Social Services were circulated to different stakeholders ranging from architects to international donors of tsunami reconstruction.

A country-wide celebration of International Day of Disabled Persons in Sri Lanka on December 3rd 2005 raised awareness of disabled people's rights and their achievements throughout the island. Motivation's local partners ran sports events and showcased disabled people's artwork and theatrical performances. Events were well attended by local communities, dignitaries and disabled rights activists.

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'Access for All' – post-tsunami advocacy campaign

Marching for disabled people's rights on International Day of Disabled Persons, Sri Lanka

Awareness of rights leads to greater inclusion and participation in society

Funding from the Civil Society Challenge Fund (CSCF) has enabled us to work with four disabled people's organisations in Uganda, Tanzania and Zimbabwe to promote the rights of wheelchair users in these countries. Gladys Charowa, of the Disabled Women Support Organisation (DWSO) in Zimbabwe, reports;

"Peer group education is one of DWSO major achievements. There is now a dramatic reduction in pressure sores [in Zimbabwe] and the life expectancy of spinal cord injured persons is no longer two years as was revealed by earlier research. Also the government is saving resources due to reduced time spent in hospitals with spinal cord injured patients."

Other achievements include:

- Membership of **Disabled Women Support Organisation (DWSO)** in Zimbabwe has increased from 1087 people to 1613. 547 have spinal cord injuries and a total of 1071 have mobility disabilities.
- DWSO is supporting 23 small business projects, regularly conducting peer group training in 12 hospitals and is lobbying Government to provide urinary equipment to Ruwa Hospital and DWSO members.
- DWSO has established 16 school disability clubs, run television and radio awareness-raising campaigns and delivers HIV and AIDS counselling.
- **Quadriplegic and Paraplegic Association of Zimbabwe (QUAPAZ)** have running peer group training at Harare hospital and in people's homes.
- QUAPAZ have also been successful in networking with other DPOs, NGOs and disability organisations and have been looking at access to income generation projects.
- The activities of the **Kilimanjaro Association for Spinally Injured (KASI)** in Tanzania grew considerably in 2005, particularly in income generation and peer group training.
- The **Spinal Injuries Association, Uganda (SIA U)** have moved offices this year and become increasingly active as an organisation. Their main activities include peer group training and counselling, HIV awareness, networking and lobbying of Government.

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Challenges:

- Disability is still seen as a medical 'problem', and disabled people as second-class citizens by many at all levels of society.
- Disability is still not a significant issue on the development agenda.
- Governments and non-government organisations lack capacity to implement meaningful change for disabled people.
- Inappropriate wheelchair donations perpetuate charity rather than empowering disabled people.
- The political and economic situation in Zimbabwe, particularly 'clean-up' operations that rendered many disabled people homeless, rising inflation and drastic fuel shortages has made it difficult for local DPOs to operate. Despite this, the many achievements in 2005 are testament to the commitment and strength of Zimbabwean DPOs.

Future Plans:

Motivation is committed to strengthening a right-based approach throughout all our activities. We will continue to help disabled people to articulate their own needs and demand that their rights are upheld as equal global citizens. As part of this process we will also continue to work with duty bearers to ensure that they meet their obligations to uphold the rights of disabled people.

In Africa the *Disability Empowerment Programme* will expand and strengthen our interventions by supporting disabled people's empowerment as equal rights-holders and help them to challenge exclusion and we will assist Southern African policy makers to fulfil their obligations to marginalised disabled people.

Capacity: Facilitating a process to ensure that the disability services have the ability to meet the needs of disabled people in their communities in the long-term.

Achievements:

We believe in strengthening channels that facilitate disabled people's participation in the decision making processes that affect their lives, through umbrella bodies such as the Pan-African Wheelchair Builders Association and the Disability Organisations Joint Front in Sri Lanka, both of which have been involved in Motivation's capacity building interventions. Motivation has also worked to increase the sustainability of the wheelchair services run by graduates of the Wheelchair Technologists Training Course by strengthening a wheelchair service network.

Financial sustainability: In 2005 we recruited a Financial Sustainability coordinator and regional sustainability officers in Africa, Asia and Eastern Europe, funded through the Wheelchair User Support Programme, to research the possibilities for wheelchair financing and income generation activities for people with disabilities. Securing financial sustainability of organisations and individuals is as much about changing attitudes as it is about raising funds.

Grant management: The Disability Support Programme in Sri Lanka has focused on building the capacity of local staff to effectively manage grants and train 6 local partner organisations to manage and administer their own funds and programme activities.

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For the year ended 31 December 2005



KASI Women's sub-committee with DIS and Motivation trainers

Fit for Life prescription training course, Sri Lanka

DPO representatives attended the peer group training conference, Romania

Challenges:

In Sri Lanka, we found that a sustained programme of capacity development initiatives with local organisations throughout 2005 had mixed results. We used an external, specialist agency to facilitate the programme, realising that our own experience of formal capacity development is limited. However, it appears that organisations would prefer to work on a more informal level with the Motivation team, so we will move forward on that basis in 2006.

Future plans :

- Forging closer links to strengthen organisational capacity building in Sri Lanka
- Strengthen DPOs in Sri Lanka and Africa to deliver peer group training

Economic Empowerment: Creating livelihoods through employment networks, income generation schemes, vocational training and financing systems to ensure the poor have access to essential mobility equipment and services.

Achievements:

As part of our Disability Support Programme in Sri Lanka, a week-long workshop was held in June to teach representatives of local disabled people's organisations how to conduct job seeking skills workshops, run job fairs and maintain a database of employers and employees. This marks an extension of the highly successful Employment Placement Programme to other regions of the country. In 2005, 150 people with disabilities found mainstream employment through the programme.

The Marks and Start programme, a pilot run in partnership with Marks and Spencer, continued to train and place people with a range of disabilities in garment making factories in Sri Lanka. 21 disabled people were trained through the programme in 2005.

In Africa, the **Quadriplegics and Paraplegic Association of Zimbabwe (QUAPAZ)** are prioritising the issue of income generating activities for their members and the **Kilimanjaro Association for the Spinally Injured (KASI)** has established sub-committees to work on particular areas of need, such as wheelchair financing. The Women's sub-committee has launched a tie-and-dye income generation project.

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Challenges:

- Funding is required to boost wheelchair funds, which aim to ensure that people who are unable to pay for wheelchairs are not denied access to them.
- Stigma towards employing disabled people.

Future plans:

The success of the Marks and Start pilot in Sri Lanka has led Marks and Spencer to ask Motivation to replicate the programme in Bangladesh, India, Turkey and Egypt.

Initiating and promoting income-generation activities, and improving disabled people's access to mainstream poverty alleviation programmes is central to the financial sustainability team's strategy.



Seamstress skills training by our local partner, Rehab Lanka

A chicken farmer in Sri Lanka – disabled people have a right to a sustainable livelihood

Food shopping at the local market, Zambia

Other activities:

- Alliance building activities and conferences with significant actors in the field of development and disability;
- Motivation was requested by ISPO and WHO to collaborate with a handful of other key organisations on the development of global standards for wheelchairs;
- Developing guidelines for wheelchair services and training (ongoing until 2008).
- Research into the feasibility of initiating independent regional offices in Sri Lanka and South Africa.

Fundraising Performance:

2005 saw a healthy increase in overall income. This was largely from statutory sources, with major contributions from USAID and Department for International Development (DFID). There was significant new income from other international charities including CBM Germany, Save the Children Sri Lanka, and Merlin. The majority of this new income was as a result of the Asian tsunami of December 2004.

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There was a slight drop in income from UK Trusts, Foundations and Companies. The Trust & Corporate Fundraiser joined Motivation in June, so some funding opportunities at the beginning of the year may have been missed. There was an overall increase in income from individuals but a drop in unrestricted individual donations. There was some instability in the key role of Donor Support Officer and the decision to defer an appeal to 2006 also contributed to this decrease.

Despite the increase in income the fundraising costs fell. The following factors explain this: the Programme Fundraiser position was vacant for a large part of 2005 and this affected the planning and consolidation of the programme fundraising within the team and resulted in significant indirect contribution from the management and programme teams in the programme fundraising in 2005.

In addition, the Trust & Corporate Fundraiser joined in June, instead of at the beginning of the year as originally hoped. So the late arrival of two fundraisers meant that total fundraising salaries for the year were much less than originally planned. It also meant that fundraising activities were minimised prior to the arrival of the new staff, leading to reduced fundraising expenses.

Future plans:

We intend to increase investment in local events to build up the donor support database, and we will shortly launch 'Papillia', the donor stewardship programme which will allow us to provide more personalised communications to our supporters.

We are consolidating our programme fundraising strategy by building up local fundraising teams in Asia and Africa. Now that the team are at full strength, we expect a sustained increase in income from all aspects of our fundraising.

Conclusion

The Trustees/Directors are pleased with the ongoing success of Motivation's programmes in 2005, and particularly by the interest and recognition the organisation now attracts internationally. At the end of the year, Motivation produced its 2006-2008 Development Plan, which outlines our objectives for the next three years in all areas of our work. Our strategic direction is based on the desire to improve the **quality** of our work to meet the needs of a larger **quantity** of beneficiaries.

Financial Review

Income

Motivation income for 2005 is £2.3m and this represents an increase of 44% from 2004, income has been growing over the last three years at an average rate of 24%. The growth in this current fiscal year ending 31 December 2005 is directly attributable to the December 2004 south East Asia tsunami, which generated increased activities for Motivation as well as available funding to the region and country that Motivation has been operating over the last 10 years.

Over £0.5m of the income generated in this year, was secured locally in Sri Lanka from international charitable organisations also operating in the region as a result of the tsunami. This represents a strategic shift from the traditional fundraising sources from international statutory sources, trusts, foundations and individuals in UK. USAID continue to be the main source of income for Motivation in 2005 albeit at a lower scale than the last 2 years. Table 1 is a list of the major sources of income in 2005.

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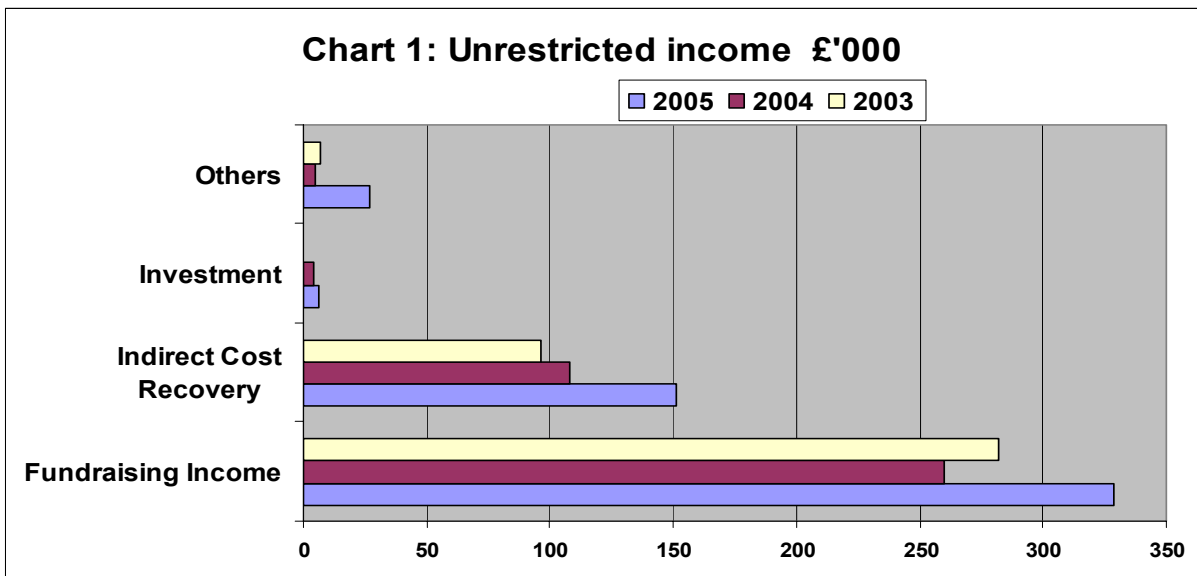
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Table 1: 2005 Income Sources above £50,000	£'000	Ratio
USAID	972	43%
Save The Children -Sri Lanka	147	6%
Oxfam Hong Kong	56	2%
Oxfam GB	67	3%
John Elleman Foundation-UK	50	2%
Individuals	142	6%
Department for International Development-UK	115	5%
Christoffel-Blinden Mission-Germany	209	9%
B&Q-UK	70	3%
4 Acre Trust-UK	75	3%
Others	377	18%
Total	2,280	

Motivation’s income is classified as restricted or unrestricted. Restricted income is raised externally for the cost of programme activities and unrestricted income is raised to cover unfunded indirect cost of programme activities and the costs of fundraising and governance of the charity any surplus funds will be added to the general funds or reserves. An agreed proportion of restricted income is also designated to unrestricted funds as indirect cost recovery, the level and magnitude of recovery is dependent on pre-agreed rate with donors, called Indirect Cost Recovery Rate.

Restricted income continue to be the most significant part of the total income and in 2005 it represents 84% of total income. Unrestricted income growth over the last three years averages at 13% whilst the growth rate of restricted income averages at 27% over the same period. Unrestricted income is from fundraising income surplus after the cost of generating funds, indirect cost recovery, investment income and foreign exchange gains and over the last three years these categories of unrestricted income are as shown in chart 1.



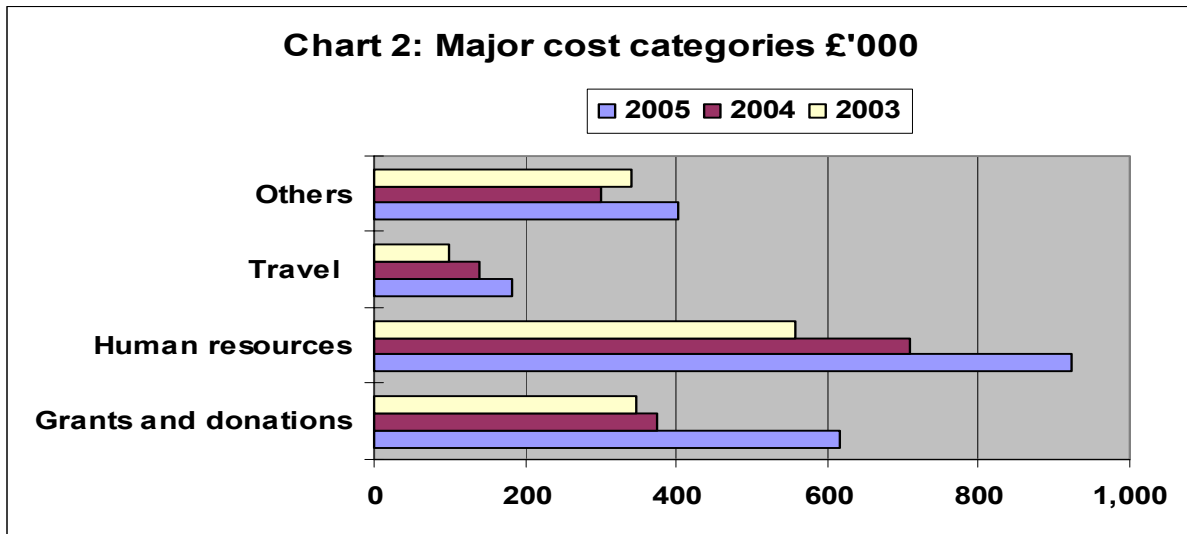
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Expenditure

Expenditure has experienced similar growth pattern as income and the expenditure at the end of fiscal year ending 31 December 2005 is £2.1m, restricted expenditure represents 84% of total expenditure. As a charity with a highly skilled professional workforce the human resources cost continues to be the dominant cost category in the last three years. Chart 2 shows the major cost categories of Motivation over the last three years.



Unrestricted expenditure includes fundraising, support and governance cost of the charity, these costs have been increasing steadily over the last three years as a result of the restricted expenditure growth, the growth has not been as dramatic as that of the restricted expenditure.

Deficit Programmes

The only material deficit programme at the end of 2005 is the Wheelchair Services and Training programme's deficit of £25,193. This is because of delays to secure another major donor to replace the Diana Princess of Wales Memorial fund as the main donor for the programme. At the end of 2005 however the trustees have agreed to designate unrestricted funds totalling £10,000 towards this deficit. The only other restricted deficit designated to unrestricted reserves is the cost of coordinating the technical team from the UK office in 2005 of £4,000.

Closing Reserves

As at 31 December 2005, Motivation held unrestricted reserves of £66,900 this is against restricted funds balance of £576,000 with unrestricted funds representing only 12% of restricted funds balance. Over the last three years the closing funds position disparity between restricted and unrestricted has been increasing as shown below.

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	2003	2004	2005
Closing funds: Unrestricted/Restricted	52%	16%	12%

The growth in restricted funds balance have not been matched by growth in the unrestricted funds balance over the same period due to a number of factors, including the following:

- It is relatively easier to fundraise a pound of restricted income than a pound of unrestricted income.
- Lower than planned indirect cost recovery rates from some ongoing programmes from previous years, also some new programme funders reluctance to meet our target ICR rate of 12%.
- Expenditure delays experienced by some major programmes in 2005 also resulted in lower than planned indirect cost recovery from restricted funds to unrestricted funds.

We hope to address these issues in the next two years as we implement the 2006-2008 development plan.

Motivation's working capital management and investment policies remains the same as in previous years and at the end of 2005 our investment in short term charity bonds closed at £90,000.

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 and the major impact of human resources to the organisation naturally carry an increased element of risk for the organisation, for this reason the Trustees feel that it is prudent to hold reserves.

Under the terms under which most project grants are obtained, only a relatively small proportion of the income can be applied to support costs as indirect cost recovery. Additional unrestricted income fundraising drive is therefore essential to cover the balance of these support costs, which are important to the continuing 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.

Motivation's target for reserves by the end of 2005 was **£129,000**, representing four months' running costs, and we achieved **£66,900**. The deficit was due to a number of reasons namely:

- Lower than anticipated Indirect cost recovery due to expenditure bottleneck with some major restricted programmes with substantial contribution to reserves.
- Growing support cost that cannot be sufficiently covered with the surplus from the fundraised income
- Deficit programmes funded at the end of the year from unrestricted reserves.

The reserves policy has been reviewed at the end of the year taking into consideration our increased growth, and the revised reserves target based on the 2006 budget is **£192,545**. This figure represents four months of support costs (those not covered by project funding). Our aim is to achieve this target in the next two years 2006 and 2007 by maintaining planned restricted expenditure to realise the cost recovery contribution to the reserves.

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Review of Reserves Policy

This policy is reviewed annually by the Trustees/Directors.

Risk Statement

Motivation is keen regularly to assess and minimise the risks to which it might be exposed. In particular, 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.

Statement of responsibilities of the trustees

The trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the group and charity and the incoming resources and application of resources, including the net income or expenditure, of the group for the year. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- 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 charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and charity and which enable them to ensure that the financial statements comply with the Companies Act 1985. The trustees are also responsible for safeguarding the assets of the group and charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that to the best of their knowledge there is no information relevant to the audit of which the auditors are unaware. The trustees also confirm that they have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

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Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2005 was 8 (2004 - 8). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditors

Sayer Vincent were re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 11 May 2006 and signed on their behalf by

Scott Glickman - Chairman

Independent auditors' report

To the members of

Motivation Charitable Trust

We have audited the financial statements of Motivation Charitable Trust for the year ended 31 December 2005 which comprise the statement of financial activities, balance sheet and related notes. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005).

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 trustees (who are also directors of Motivation Charitable Trust for the purposes of company law) are responsible for preparing the annual report and the financial statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005). The responsibilities of the trustees 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 International Standards on Auditing (UK and Ireland).

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 annual 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 other transactions is not disclosed.

We read other information contained in the annual report, and consider whether it is consistent with the audited financial statements. This other information comprises only the report of the trustees, the chair's report and the treasurer's report. 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.

The maintenance and integrity of Motivation Charitable Trust's website is the responsibility of the trustees; our work does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Independent auditors' report

To the members of

Motivation Charitable Trust

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice as modified by the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005), of the charitable company's state of affairs as at 31 December 2005 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, United Kingdom

Motivation Charitable Trust

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2005

	Note	Restricted £'000	Unrestricted £'000	2005 Total £'000	2004 Total £'000
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	8	301	309	234
Activities for generating funds		11	27	38	61
Investment income		-	6	6	4
<i>Incoming resources from charitable activities</i>					
	3				
Mobility Products		718	-	718	622
Services		459	-	459	294
Rights and Advocacy		303	-	303	119
Capacity Building		215	-	215	149
Economic Empowerment		95	-	95	63
Others		110	-	110	64
<i>Other incoming resources</i>		-	27	27	5
Total incoming resources		1,919	361	2,280	1,615
Resources expended					
<i>Costs of generating funds:</i>					
Costs of generating voluntary income		-	166	166	161
<i>Charitable activities:</i>					
Mobility Products		637	38	675	695
Services		492	28	520	201
Rights and Advocacy		215	14	229	122
Capacity Building		220	27	247	181
Economic Empowerment		90	7	97	64
Others		125	12	137	81
<i>Governance costs</i>		-	54	54	48
<i>Other resources expended</i>		-	-	-	-
Total resources expended	4	1,779	346	2,125	1,553
Net incoming resources before transfers	5	140	15	155	62
Gross transfers between funds		14	(14)	-	-
Net movement in funds		154	1	155	62
Total funds brought forward		422	66	488	426
Total funds carried forward		576	67	643	488

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 14 to the financial statements.

Motivation Charitable Trust

Balance sheet

31 December 2005

	Note	£'000	2005 £'000	2004 £'000
Fixed assets				
Tangible fixed assets	10		<u>59</u>	<u>68</u>
			59	68
Current assets				
Debtors	11	83		148
Short term deposit		90		75
Cash at bank and in hand		<u>496</u>		<u>342</u>
		669		565
Liabilities				
Creditors: amounts due within one year	12	<u>85</u>		<u>145</u>
Net current assets				
			<u>584</u>	<u>420</u>
Net assets				
	13		<u>643</u>	<u>488</u>
Funds				
	14			
Restricted funds				
In surplus			591	419
In deficit			(15)	4
Unrestricted funds				
General funds			<u>67</u>	<u>65</u>
Total charity funds				
			<u>643</u>	<u>488</u>

Approved by the trustees on 11 May 2006 and signed on their behalf by

Scott Glickman - Chairman

Motivation Charitable Trust

Notes to the financial statements

For the year ended 31 December 2005

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 2005) 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 arm's 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.

Motivation Charitable Trust

Notes to the financial statements

For the year ended 31 December 2005

1. Accounting policies (continued)

- 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.
- e) **Costs of generating voluntary income:** 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) Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Resources expended are allocated to a particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function is apportioned on the basis of staff time attributable to each activity.

Support costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity:

Cost of generating voluntary income	9%
Mobility Products	26%
Services	19%
Rights and Advocacy	10%
Capacity Building	19%
Economic Empowerment	5%
Others	9%
Governance	3%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

Motivation Charitable Trust

Notes to the financial statements

For the year ended 31 December 2005

1. Accounting policies (continued)

- h) **Tangible fixed assets:** UK Expenditure on fixed assets is capitalised where it exceeds £500. 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.

2. Voluntary income

	Restricted £'000	Unrestricted £'000	2005 Total £'000	2004 Total £'000
Donations	-	258	258	167
Gifts in kind (see note 9)	8	43	51	65
Legacies	-	-	-	2
Total	<u>8</u>	<u>301</u>	<u>309</u>	<u>234</u>

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

Restricted:

Lloyds TSB Foundation
Man Group PLC
Merlin Foundation
Patrick Frost Foundation
4 Acre Trust

Unrestricted:

AJH Du Boulay Trust
Heathside Charitable Trust
John Elleman Foundation
Mackintosh Foundation
Parthenon Trust
Peacock Trust
R H Southern Trust

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

Motivation Charitable Trust

Notes to the financial statements

For the year ended 31 December 2005

3. Incoming resources from charitable activities

	2005 Total £'000	2004 Total £'000
Restricted income: grants		
<i>for Grants payable:</i>		
Guernsey Overseas Aid		
▪ Africa Wheelchair Fund	16	-
USAID		
▪ Cambodia Study Tour	8	-
Other trusts, foundations and companies:	<u>12</u>	12
	36	12
<i>Donations for grants payable:</i>	<u>9</u>	7
Total restricted income for grants payable	<u>45</u>	<u>19</u>
<i>for Projects:</i>		
Diana, Princess of Wales Memorial Fund:		
▪ Wheelchair Services and Training (WorldMade)	-	152
Department for International Development (KAR/CSCF):		
▪ Africa	115	196
European Community (EC):		
▪ Sri Lanka Special Seating	-	12
USAID:		
▪ Disability Support Programme	525	555
▪ Wheelchair User Support Programme	419	79
▪ Africa WTTC Development	-	17
▪ Tsunami Advocacy and Recovery	28	-
B&Q:		
▪ Worldmade Wheelchair Distribution	70	115
Christoffel-Blinden Mission (CBM)		
▪ Tsunami Advocacy and Recovery	209	-
Oxfam		
▪ Tsunami Advocacy and Recovery	123	-
Save the Children -Sri Lanka		
▪ Community based Supportive Seating	147	-
Merlin Foundation		
▪ Wheelchair Services and Training (WorldMade)	21	-
Other trusts, foundations and companies	<u>181</u>	164
	1,838	1,290
<i>Project donations:</i>	<u>36</u>	2
Total restricted project income	<u>1,874</u>	<u>1,292</u>
Total restricted grants and donations:	<u>1,919</u>	<u>1,311</u>
Of which grants:	1,874	1,302
Of which donations:	45	9

Motivation Charitable Trust

Notes to the financial statements

For the year ended 31 December 2005

4. Total resources expended

	Cost of generating voluntary income	Mobility Products	Services	Rights & Advocacy	Capacity Building	Economic Empowerment	Others	Governance	Support Costs	2005 Total	2004 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Grants, products and materials	-	261	216	90	16	29	2	-	1	615	374
Staff costs (note 6)	95	232	177	83	102	38	78	36	83	924	710
Other staff costs	7	27	14	4	6	4	3	-	6	71	36
Consultancy	14	22	-	1	-	6	4	-	2	49	24
Legal and professional fees	-	10	-	-	-	-	-	10	1	21	13
Travel and transportation	9	44	53	17	28	3	18	1	9	182	140
Fundraising and publicity	21	3	7	2	-	-	-	-	-	33	62
Office resources	6	34	23	17	59	10	1	2	34	186	152
Depreciation	-	2	1	-	1	-	19	-	4	27	26
Financial Cost	1	2	1	1	2	-	-	-	1	8	4
Foreign exchange loss	-	-	-	-	6	-	-	-	2	8	11
Sundry expenditure	-	-	-	-	-	-	-	-	1	1	1
Total resources expended	153	637	492	215	220	90	125	49	144	2,125	1,553
Support Costs	13	38	28	14	27	7	12	5	(144)	-	-
Total resources expended	166	675	520	229	247	97	137	54	-	2,125	1,553

Motivation Charitable Trust

Notes to the financial statements

For the year ended 31 December 2005

5. Net incoming resources for the year

This is stated after charging:

	2005	2004
	£'000	£'000
Depreciation	27	26
Auditors' remuneration:		
▪ audit	8	8
▪ other services	-	6
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	Nil	Nil
	<u> </u>	<u> </u>

6. Staff costs and numbers

Staff costs were as follows:

	2005	2004
	£'000	£'000
Salaries and wages	852	663
Social security costs	60	42
Pension contributions	12	5
	<u> </u>	<u> </u>
	924	710
	<u> </u>	<u> </u>
Total emoluments paid to staff were:	864	668
	<u> </u>	<u> </u>

No employee earned more than £60,000 during the year.

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

	2005	2004
	No.	No.
Costs of generating voluntary income	4	4
Mobility Products	19	15
Services	14	7
Rights & Advocacy	4	6
Capacity Building	9	6
Economic Empowerment	5	4
Others	2	2
Governance	1	1
	<u> </u>	<u> </u>
	58	45
	<u> </u>	<u> </u>

Motivation Charitable Trust

Notes to the financial statements

For the year ended 31 December 2005

7. Taxation

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

8. Grants Payable including Products and Material Donations

	2005 £'000	2004 £'000
Africa Wheelchair Service Network	33	-
Africa Knowledge and Sharing	4	12
Africa Rights for Wheelchair Users	79	59
Africa grant programmes	7	13
Sri Lanka Disability Support Programme	126	173
Worldmade Products and Services	148	-
Wheelchair User Support Programme	127	12
Tsunami Recovery and Advocacy Programme	89	-
Other small grants	2	16
	<u>615</u>	<u>285</u>

Grants payable includes cash, products and materials donations to partner organisations and 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.

9. Gifts in kind and intangible income

	Restricted Funds £'000	Unrestricted Funds £'000	2005 Total £'000	2004 Total £'000
Equipment	-	2	2	7
Printing and Stationery	-	2	2	10
Fundraising and publicity costs	7	5	12	18
Travel	1	1	2	-
Legal and professional fees	-	3	3	-
Office Space	-	30	30	30
	<u>8</u>	<u>43</u>	<u>51</u>	<u>65</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.

Motivation Charitable Trust

Notes to the financial statements

For the year ended 31 December 2005

10. Tangible fixed assets

	Computer equipment £'000	Website £'000	Leasehold improvements £'000	Office furniture £'000	Total £'000
Cost					
At the start of the year	98	20	57	21	196
Additions in year	15	-	-	2	17
At the end of the year	113	20	57	23	213
Depreciation					
At the start of the year	55	20	37	15	127
Charge for the year	18	-	6	3	27
At the end of the year	73	20	43	18	154
Net book value					
At the end of the year	40	-	14	5	59
At the start of the year	43	-	20	6	69

11. Debtors

	2005 £'000	2004 £'000
Trade debtors	60	129
Other debtors	19	4
Prepayments	4	15
	83	148

12. Creditors: amounts due within 1 year

	2005 £'000	2004 £'000
Taxation and social security	20	15
Other creditors	59	91
Accruals	6	8
Deferred income	-	31
	85	145

13. Analysis of net assets between funds

	Restricted funds £'000	General funds £'000	Total funds £'000
Tangible fixed assets	43	16	59
Net current assets	533	51	584
Net assets at the end of the year	576	67	643

Motivation Charitable Trust

Notes to the financial statements

For the year ended 31 December 2005

14. Movements in funds

	At the start of the year £'000	Incoming resources £'000	Outgoing resources £'000	Transfers £'000	At the end of the year £'000
Restricted funds:					
Overseas					
Africa Programme:					
Africa WTTTC Development	3	3	(3)	(3)	-
Wheelchair Service Network	66	51	(68)	-	49
Africa Knowledge and Research	3	12	(15)	-	-
Africa Rights for Wheelchair Users	20	103	(115)	-	8
Sri Lanka Disability Support Programme:					
Sri Lanka Disability Support Programme:	42	525	(567)	-	-
Worldmade Programme:					
WM Wheelchair Services & Training	91	48	(160)	6	(15)
WM Design & Production	27	75	(81)	-	21
WM Wheelchair Distribution	102	76	(138)	-	40
Wheelchair User Support Programme:					
Wheelchair User Support Programme:	(4)	419	(381)	(1)	33
Tsunami Recovery and Advocacy Programme:					
Tsunami Recovery and Advocacy Programme:	-	412	(182)	(15)	215
Community Based Supportive Seating:					
Community Based Supportive Seating:	-	147	(22)	-	125
Grants Programmes:					
Africa	3	23	(8)	-	18
Sri Lanka	1	22	(9)	-	14
Other Overseas:					
Marks & Start programme	3	-	-	-	3
Motivation Asia Regional Office	-	3	(13)	13	3
Disability Empowerment Programme	-	-	(3)	3	-
UK Projects:					
Leasehold Premises Improvements	28	-	(5)	-	23
Other Restricted Fixed Assets	33	-	(3)	9	39
Helen Hamlyn IT Development	2	-	(1)	(1)	-
Technical Team Coordination	2	-	(5)	3	-
Total restricted funds	422	1,919	(1,779)	14	576
Unrestricted funds:					
General funds	66	361	(346)	(14)	67
Total unrestricted funds	66	361	(346)	(14)	67
Total funds	488	2,280	(2,125)	-	643

Motivation Charitable Trust

Notes to the financial statements

For the year ended 31 December 2005

Movements in funds (continued)

Transfers relate to the following situations:

- a) Transfer of funds from unrestricted funds to restricted funds for overspends and disallowed expenditure.
- b) Surplus and deficit from completed project transferred to projects within the same programme.
- c) The capitalisation of restricted fixed assets.

Purpose of restricted funds

Africa WTTC Development	The development and support of the Wheelchair Technologists Training Course (WTTC) in partnership with the Tanzanian Training Centre for Orthopaedic Technologists (TATCOT) started in 2002. The course has now graduated 23 students from eight countries.
Wheelchair Service Network	Supporting and fostering collaboration between the growing network of wheelchair services established by graduates of the WTTC in Tanzania. This project is funded by Lloyds TSB Foundation, The Clothworkers Foundation, The Rowan Trust and the Cotton Trust.
Africa Knowledge and Research	DFID Knowledge and Research (KaR) funded programme which is developing new designs of mobility equipment including a hand propelled trike, and a new three wheel wheelchair.
Africa-Rights for Wheelchair Users	DFID Civil Society Challenge Fund (CSCF) funded programme initiated in 2004 which is promoting and coordinating the rights of wheelchair users in Uganda, Tanzania and Zimbabwe.
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.
Worldmade Wheelchair Services and Training	Initiation of sustainable wheelchair services providing access to locally produced and Worldmade wheelchairs through modular training courses and local partner support. Initially funded by the Diana Princess of Wales Memorial Fund.
Worldmade Design and Production	Ongoing product development and liaison for the manufacture of the Worldmade rural flat pack wheelchair; a wheelchair design suitable for large scale production and distribution.
Worldmade Wheelchair Distribution	Funding, production and distribution of the Worldmade wheelchairs. Sponsored by 4 Acre Trust and B&Q.
Wheelchair User Support Programme	USAID sponsored programme of initiatives addressing issues relating to poverty, rights, capacity, services and products affecting wheelchair users in Asia, Africa and East Europe through our network of partners and regional programmes.

Motivation Charitable Trust

Notes to the financial statements

For the year ended 31 December 2005

Community Based Supporting Seating Project Two-year programme, funded by Save the Children, in Sri Lanka to improve supportive seating services for children with cerebral palsy and their parents, by providing a new form of mobile service structure offering appropriate and affordable products.

Tsunami Recovery and Advocay Programme Programme established in response to the devastating South East Asia tsunami. Involved working with partner Disabled People Organisation to advocate for reconstruction and recovery work to be both inclusive and accessible for disabled people in Sri Lanka. The programme has been extended to run until the end of 2006.

Grant Programs:

Africa Cash grants to assist local partner organizations and Graduates from WTTC to set up workshops in East and Southern Africa.

Sri Lanka Grant projects to cover funding for special seating, wheelchairs, refurbishments of wards and workshops through local partners organisations.

Other Overseas:

Marks & Start Employment Placement Programme Funding received for collaborative initiative between employers and disabled people in South East Asia to create mainstream employment opportunities for disabled women in the garment industry.

Motivation Asia Regional Office Regional office setup cost and cost for regional management, fundraising and expenses directly related to the Asia regional office based in Motivation Sri Lanka.

Disability Empowerment Programme for Africa Disability Empowerment research trip cost to South Africa for replication of the supportive seating programme for Africa.

UK Projects:

Premises & Improvements Restricted funds of capitalised leasehold improvements to our office in Bristol, United Kingdom.

Other Restricted Fixed Assets Restricted funds of other fixed assets capitalised from ongoing projects.

Helen Hamlyn IT Development Development of Motivation UK fundraising and accounting capacity through acquisition of appropriate IT hardware and software. Funded by Helen Hamlyn Foundation.

Technical Team Coordination Funds for research and development of a self sustainable technical service team to service Motivation projects.

General funds Unrestricted and general funds including; unfunded support, fundraising, management, administration and governance cost of Motivation.