

Company no. 3916496
Charity no. 1079358

Motivation Charitable Trust
Report and Financial Statements
31 December 2006

sayer vincent

consultants and auditors

Motivation Charitable Trust

Reference and administrative details

For the year ended 31 December 2006

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 ACIArb	
Nicholas Allott		
Andrew Olver		

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 2006

The trustees present their report and the audited financial statements for the year ended 31 December 2006.

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).

Reference and administration details

The Motivation Charitable Trust (also known as Motivation) is a registered charity no. 1079358, and a company limited by guarantee registered in England and Wales no. 3916496. The charity is registered at and operates from, Brockley Academy, Brockley Lane, Backwell, Bristol, BS48 4AQ.

Motivation is governed by a board of six Trustees/Directors who meet four times a year. The trustees who served during the year and up to the date of this report were:

Scott Glickman FRCS

Prue Bramwell-Davis MSDC FRCA

Steven Fogel LLB LLM ACI Arb

Vivien Gardener ACA

Nicholas Allott

Andrew Olver (appointed 11/11/05)

The board has recourse to legal advice from their solicitors Osbourne Clarke (2 Temple Back East, Temple Quay, Bristol, BS1 6EG) and financial advice from the auditors, Sayer Vincent (8/9 Angel Gate, City Road London EC1V 2SJ). Motivation does not have specific investment advisors as at present our investments are restricted to charity bonds, which are handled through our bank National Westminster (21a Somerset Square, Nailsea, Bristol). The organisation's health and safety advisors are Domino Risk Management Limited (48 Sunnymede Road, Nailsea, BRISTOL, BS48 2NG), and our liability, travel and all risks insurance is arranged through SBJ Stephenson (authorised and regulated by the Financial Services Authority, Registered office: 100 Whitechapel, London E1 1JG Registered in England No. 726955).

Day to day responsibility for the management of the Charity falls to two Executive Officers, David Constantine and Richard Frost, who report directly to the board of Trustees/Directors and are responsible for implementing the board's policy decisions. The Executive Officers have equal responsibility and authority.

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

Motivation Charitable Trust

Report of the trustees

For the year ended 31 December 2006

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.

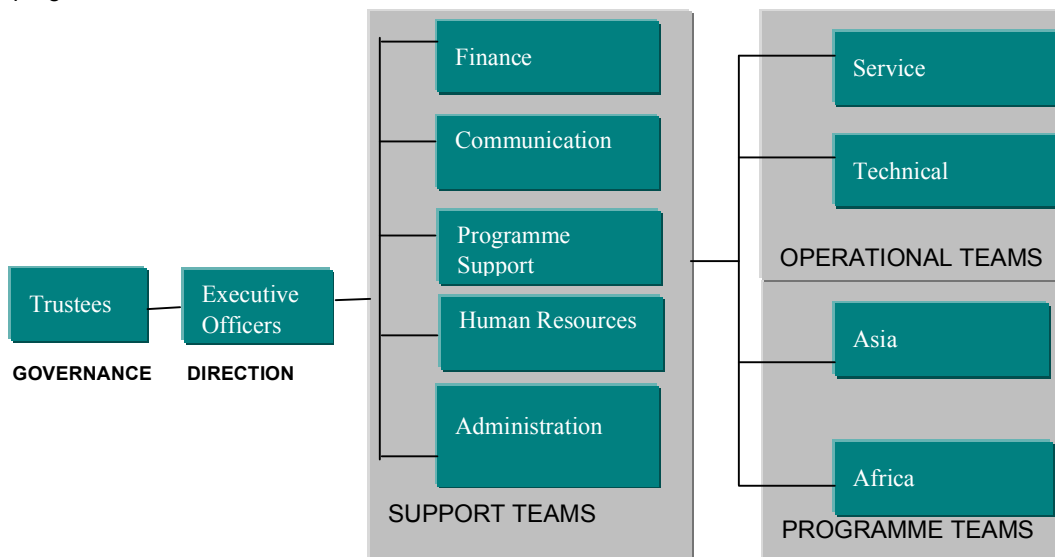
Induction of new trustees is managed by the Company Secretary, following the NCVO induction toolkit "Inducting and Supporting Trustees". Trustees may request training through the charity secretary, and the charity secretary will from time to time notify the trustees of relevant courses. However, standard 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.

Organisational structure

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



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For the year ended 31 December 2006

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;
- The Communication team is responsible for Public Relations and raising unrestricted funds for organisational activities;
- The Programme Support team is responsible for supporting international programme activities, programme fundraising, 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
- The Service team is responsible for developing training packages to ensure that mobility products are accessed through a professional local wheelchair 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.

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).



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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.

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:



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For the year ended 31 December 2006

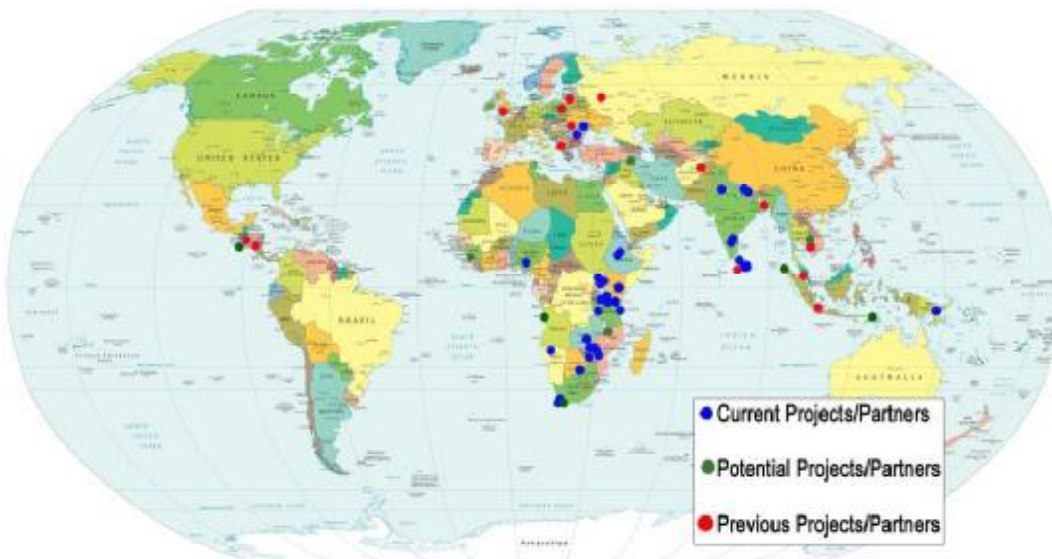
Achievements and performances

The following section illustrates some of our achievements in 2006; 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:

The following section illustrates some of our achievements in 2006; further details of our work are available on our website (www.motivation.org.uk) or can be obtained by contacting our UK office.



International Collaboration

Consensus Conference

In November 2006 a Consensus Conference for Wheelchairs in Developing Countries was held in Bengaluru, India, jointly hosted by the International Society for Prosthetics and Orthotics (ISPO), the World Health Organization (WHO) and Mobility India. The purpose of the conference was to gather together stakeholders in wheelchair provision from different regions to try to gain consensus on the best ways to address the challenges facing wheelchair provision in developing countries. The Consensus Conference was a landmark in the development of wheelchair services in low-income countries. Motivation was part of the organising committee for the conference, and we were invited to have a substantial representation at the conference.

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Wheelchair Guidelines

Motivation has had substantial involvement in a project led by the WHO to develop 'Guidelines for Wheelchair Products, Services and Training'. The guidelines are a practical guide to appropriate wheelchair provision for use by different stakeholders, from governments to practitioners involved in wheelchair services. Motivation will be working with the WHO to create an effective way of disseminating the guidelines once they are published in 2007.

Other Activities

- Alliance building activities and conferences with significant actors in the field of development and disability; International Committee of the Red Cross (ICRC), Handicap International (HI), Mines Advisory Group (MAG), Oxfam and Save the Children
- Consultation with the UK Government Department for International Development (DFID) on their White paper on Aid Delivery

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:

Motivation has been working to develop and expand our approaches to service provision to significantly increase the number of disabled people who are able to access appropriate mobility products and services. Our work also focuses on advocating for and working towards the development of professional, comprehensive and appropriate mobility services.

Wheelchair services are the link between the product and the people who use them, and are instrumental in ensuring that users have access to a good quality wheelchair that meets their needs and can help them achieve their goals. Our two major focuses have been the Africa Wheelchair Service Network, and our Worldmade programme.

In Africa ten students successfully graduated as qualified Wheelchair Technologists at the Tanzania Training Centre for Orthopaedic Technologists (TATCOT), bringing the total number of African Wheelchair Technologists to 39. The graduates included two students from the University of Don Bosco in El Salvador. This is the first step towards replicating the Wheelchair Technology training in Central America. Students from Uganda, Sierra Leone and Tanzania also graduated bringing the number of African countries that we are working in to ten. Throughout 2006 Motivation has provided support to the growing network of African Wheelchair Services.

In Asia, work continued to support our partner organisations in India, Nepal, Sri Lanka, The Maldives and Papua New Guinea, streamlining partnership and monitoring systems. The partner organisations in Asia are expanding their services beyond the clinical and technical elements of their wheelchair services, focusing on activities that are raising awareness about the need for wheelchair services.

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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 wheelchairs are designed by Motivation, produced by a professional wheelchair manufacturer in Eastern China, flat packed and delivered to local wheelchair services. In 2006, containers were ordered for local organisations in Sri Lanka, Angola, Nepal, India, South Africa and Zimbabwe and also for the international relief organisation, International Committee for the Red Cross (ICRC).

Worldmade wheelchairs are delivered with the associated training needed to ensure that the chairs are properly prescribed, assembled and maintained. The training is known as *Fit For Life* and is run as two courses – prescription and assembly.

In 2006: 56 trainees graduated from *Fit for Life* training courses
Fit For Life training was held in Sri Lanka in March 2006 and at MI in June 2006

- 17 participants attended *Fit For Life* Worldmade prescription course
- 15 attended *Fit For Life* Worldmade assembly course
- Participants attended from Sri Lanka, India and Zimbabwe

Motivation undertook the creation of a dedicated training course for ICRC field staff to be trained as trainers in Wheelchair Postural Support and Training.

An important milestone for us is that the Worldmade 3-wheeler wheelchair was accepted onto the Government tender in South Africa, a great landmark and one which should ensure government funding for more Worldmade wheelchairs as the design becomes more widely acknowledged.

A number of design and manufacturing issues were resolved to enable the completion of the Worldmade 4-wheeler trial wheelchairs which were trialled during 2006 in Sri Lanka, South Africa and Romania.

Other achievements in 2006:

- **Afghanistan:** Nearly ten years after our original project in Afghanistan, Motivation returned to upgrade skills and provide training to ten technicians from all the major wheelchair producers in Afghanistan. The simpler design of the wheelchair has now made it easier and quicker to build wheelchairs and therefore cheaper and simpler to train other technicians. The wheelchair is stronger and more durable, and uses less material
- **Uganda:** A programme of activities in Uganda was agreed with the Norwegian Association of Disabled (NAD) to build on the recommendations of the Uganda Stakeholders Conference held in 2004.
- **Kenya and Tanzania:** Motivation upgraded the skills of a number of Wheelchair Technologists through running supportive seating workshops
- **China:** A research visit was made to four rehabilitation centres of the China Disabled Persons' Federation (CDPF), in low-income areas of several different Provinces

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For the year ended 31 December 2006

Challenges:

- Despite a very successful training programme which has generated international interest, the numbers of end users receiving Worldmade wheelchairs through service providers is lower than hoped. Wheelchair service delivery to a user can not be considered as an isolated event but the result of a chain of events and circumstances all working together. In each location, analysis is taking place to consider why numbers are so low. The capacity of organizations, staff retention, financial planning, national security and marketing strategies are some of the key features that have been identified that need to be part of the equation to be addressed.
- Funding is still needed to develop tools for production of the Worldmade 4-wheeler design.
- There is a lack of the appropriate skills within local organisations to support the financing of the wheelchairs.

Future plans:

- Roll out of Wheelchair Postural Support and Training course to ICRC staff.
- 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.
- Further upgrading wheelchair designs in Afghanistan.
- Promote the integration of peer group support (support and training from experienced wheelchair users) into mobility services, to ensure that all Motivation beneficiaries have access to it
- Facilitate a Tanzanian Wheelchair Stakeholders Conference to assess the current situation and to develop a country strategy for the future development and sustainability of a national wheelchair provision system.
- Development of supportive seating initiatives in Africa.



Technicians in Sri Lanka Abdullah, Tanzanian Wheelchair Motivation's mobile wheelchair assembling a three wheel rural Technologist trains staff from the service working in Batticaloa, a wheelchair workshop in region that has been severely Jalalabad in an upgraded affected by the conflict in Sri wheelchair design. Lanka

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For the year ended 31 December 2006

Rights

Promoting the human rights of disabled people from the grassroots through to policy level through advocacy and awareness-raising.

Achievements:

Across the world disabled people are marginalised and excluded, and as a result are denied even their most basic human rights. Motivation works to empower groups of disabled people to raise awareness of their exclusion and advocate for change.

In Sri Lanka, Motivation has been working to strengthen the voice of disabled people to demand inclusion in mainstream relief and development and promote access to the built environment. In response to the Tsunami at the end of 2004, in collaboration with the national umbrella body, the Disability Organisation's Joint Front, Motivation ran an advocacy and awareness campaign called "Access for All". Over the past two years this campaign, targeting government and relief agencies, has had a significant impact; accessibility of the built environment is now on the agenda. Before the campaign the Ministry of Social Services could not find a copy of their national guidelines on accessibility. This is no longer the case and the Ministry is now very proactive, organising seminars and obtaining corporate sponsorship to make Colombo accessible. They have even made 2007 the year of accessibility.

Undoubtedly the success of this programme in Sri Lanka has come from changing negative attitudes and dispelling misconceptions held about disabled people. This could never have been achieved without the direct involvement of disabled people themselves. Having disabled people as advocates for accessibility and promoting disability awareness is the only way to build sustainable change. In Sri Lanka Motivation fostered involvement from the grassroots by giving disabled people the opportunity to set-up their own groups and assist them in the process to become representative organisations. An important part of the programme was to train disability advocates in different regions, in 2006 they undertook accessibility audits, disability awareness training and high profile advocacy, including organising their own press conferences, events and workshops with government officials.

In Africa, Motivation is working with five disabled people's organisations to help strengthen their ability to represent and advocate for the human rights of their members. In particular, Motivation works with these organisations to develop peer training initiatives; helping experienced wheelchair users to training and empower other wheelchair users understand and demand their right to survival, to health, to employment and to participate in public and political life.

The Disabled Women's Support Organisation (DWSO) continues to develop. Their main areas of activity now include: peer group training; regular visits to 12 hospitals; the production of a training manual, lobbying Government to provide urinary equipment to their members; supporting 23 small business projects; HIV and AIDS counselling; public awareness raising through television and radio programmes; establishment of 16 school disability clubs; and the formation of 'Wheelchair Tennis Zimbabwe'.

The Quadriplegics and Paraplegics Association of Zimbabwe (QUAPAZ) held a self-help projects workshop which was attended by 63 participants. They also run regular peer sessions at hospitals in particular they held three peer counselling sessions at St Giles Hospital. QUAPAZ have been raising awareness through talks at churches and with community groups.

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The Kilimanjaro Association of the Spinally Injured (KASI) in Tanzania have been involved in consultations with the Government regarding recommendations for amendments to Tanzania's legislation involving disabled people. The organisation officially opened a sports court to improve the health and confidence of their members and they are running training on sports activities. KASI's women's committee has continued to grow in strength.

The Spinal Injuries Association of Uganda (SIAU) have become increasingly active and established as an organisation. Their main activities have included peer group training and counselling, HIV awareness, networking and lobbying of government, and collaborating with the wheelchair technologists about members in need of wheelchairs. In particular, SIAU staff have been involved in meetings with the Government to make amendments to the Disability Bill which covers issues such as providing wheelchairs, urinary management equipment, and stickers for wheelchair users to put on their car doors to request others not to park too close.

Other achievements in 2006

- Successful media campaign with many press conferences held which resulted in 38 articles in the print media, 14 television shows, five radio broadcasts as part of the "Access for All" in Sri Lanka.
- Disability organisation partners have established advocacy offices and are developing information resource centres to disseminate the "Access for All" campaign material in three areas affected by the tsunami.
- Under the District Focal Point programme, a district level advocacy programme, 8 staff including 5 disabled staff have been recruited as advocates of disability issues and physical accessibility.
- Accessibility audits have been undertaken for schools constructed by World Vision, UNDP reconstruction programmes, Galle and Matara railway stations, public bus stands, temples and many other organizations following the Tsunami in Sri Lanka.
- 18 people at disability organisations and 32 agencies have received consultancy support or training to promote access to the built environment in Sri Lanka. Two government training workshops with 300 people with cross ministry representation.
- Handbook produced and disseminated on "Design considerations for accessibility" to supplement Sri Lankan national guidelines which provides practical solutions for rural and urban contexts.

Challenges:

- In Africa, widespread poverty means that many are not even achieving the basics of survival to get to a point where they can be empowered to know and advocate for their rights
- Many African countries are in a conflict or post conflict situation where no-one is able to access their rights because the country's infrastructure is poor.
- Lack of funding to implement programmes
- In Sri Lanka one of the main challenges faced in the District Focal Point programme was in recruiting disabled people, some of whom did not have previous job experience. However, this challenge was overcome by giving them adequate training, which in turn increased their confidence and capability in addressing public gatherings, organizing advocacy campaigns, conducting trainings, conducting accessibility audits, and mobilizing disabled people in the districts.

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Future Plans:

- In 2006 Motivation secured funding from the EC for a capacity building programme in Sri Lanka. By building the capacity of Disabled People's Organisations, the programme aims to improve their ability to lobby the government at all levels to develop and implement existing legislation and policies and to facilitate the formulation of a National Strategy for people with disabilities.



Lali Sherpa, lives near the Chinese border with her family in Nepal where the terrain demands robust manoeuvrable wheelchairs.



Three year old Kihansa David Constantine visiting Kasundhi was treated at the wheelchair users in Jalalabad to Southern Centre for the discuss disability issues in Disabled in Galle, Sri Lanka to Afghanistan correct congenital problems with her foot arches.



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:

Over the past three years, Motivation has been developing specific initiatives to strengthen the capacity of Disabled People's Organisations and rehabilitation & mobility service providers to address the needs of disabled people.

Through organisations such as the Pan-African Wheelchair Builders Association (PAWBA) Motivation has worked to increase the sustainability of the wheelchair services run by graduates of the Wheelchair Technologists Training Course (WTTC) by strengthening the African wheelchair service network. Motivation is supporting PAWBA as they gain in strength and begin to take on more dialogue and support of the network of WTTC graduates.

Motivation has been working to strengthen Disabled People's Organisations through initiatives in Africa and Asia. As an example, in Zimbabwe DWSO has seen an increase in their membership from 1,087 to 1,613 members. Their programme has grown from strength to strength despite the deterioration of the country. In Tanzania KASI now has a five year strategic plan and their activities have grown significantly, particularly those involving income generation and peer group training.

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Financial sustainability is a huge issue for wheelchair services, and Motivation has been working with regional financial sustainability officers in East Europe, Asia and Africa to develop wheelchair financing solutions with wheelchair services and Disabled People's Organisations.

Other achievements in 2006:

SIAU in Uganda have become increasingly active and established as an organisation. Motivation supported SIAU to train nurses at Mulago Hospital, Kampala, Uganda in spinal injury care.

Challenges:

- The economic and situation in Zimbabwe with hyperinflation, widespread poverty, fuel shortages, and constant power and water cuts has restricted the activities of both DWSO and QUAPAZ.
- Water shortages in Tanzania and Uganda have also resulted in frequent and disruptive power cuts interfering with progress of the organisations there.
- Funding for the 'All Africa wheelchair Congress' was not obtained in time for the planned 2006 congress and the event had to be postponed for a year.

Future plans:

- PAWBA have is gradually taking over coordination and strengthening of the Africa wheelchair services from Motivation.
- PAWBA to host 'All Africa Wheelchair Congress' in 2007
- Forging closer links to strengthen organisational capacity building in Sri Lanka
- Increase links between peer group training and wheelchair services in Sri Lanka, East Europe and Africa
- Carry out research within refugee camps on needs of disabled people in a post conflict situation



The Kilimanjaro Association of Isaac Nyathi working with Peer Group Trainers learning best Spinally Injured discussing wheelchair producers discussing training methods in Tanzania organisational plans quality control

Motivation Charitable Trust

Report of the trustees

For the year ended 31 December 2006

Economic Empowerment

Reducing economic poverty and 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:

The Marks & Start programme flourished in 2006. Our work to link disabled women with training programmes to equip them with the skills needed to work in the factories that supply Marks & Spencer in Sri Lanka, Bangladesh and India has been highly successful. In 2006, 15 women gained employment in garment factories in Sri Lanka alone.

During 2006 Motivation also oversaw the initiation of a new Marks & Start project in Turkey. This will enable disabled people to be trained on-site by the factory before they begin work, rather than undergoing training at a separate location. The project officially commences in March 2007.

In Sri Lanka, the Disability Support Programme continued to achieve significant results in its Economic Empowerment work. Following a job fair in 2006, 69 disabled people were interviewed by 21 employers, with 12 disabled people finding employment

In addition to this, six job seeking and keeping skills workshops were conducted, training 85 people with disabilities in the essential skills needed to find and remain in employment.

In Africa we are continuing to support our partner organisations in initiating and expanding a variety of income generating schemes.

In Zimbabwe, DWSO has a total of 23 business projects, ranging from the buying and selling of agricultural inputs, to the making of peanut butter, soap and candles. QUAPAZ has trained local groups in jam making, and how to start their own business for an initial investment of around US\$10.

In Tanzania, our partner KASI, worked with the Small Industries Development Organisation to train 16 of their members in batik and tie-dye skills. Six sewing machines, which have been fitted with electrical motors specifically for use by wheelchair users have also been purchased.

In 2006 Oxfam Hong Kong funded our Inclusive Vocational Training Programme (IVTP) in Sri Lanka. This one year programme offers training and employment opportunities to poor and marginalised members of the community affected by the tsunami, with a particular focus on women with disabilities.

The programme trained three local organisations in computer and English language skills and set up a Community Based Training Centre in Galle which now runs courses in computer skills, English language, sewing and business entrepreneurship skills.

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Challenges:

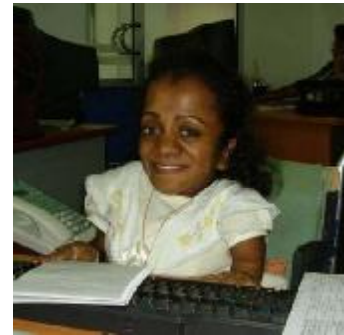
- Some disabled people seem reticent to take up the opportunity of employment. This may be related to the societal stigma they have experienced in the past, making them less forthcoming when it comes to finding work.
- A lack of understanding among some employers means that they are still less willing to take on disabled employees. This social barrier needs addressing.
- DWSO's four urban economic empowerment projects in Zimbabwe have been affected by the political instability and are therefore less able to operate.

Future plans:

A new project in Sri Lanka funded by the EC, is due to start in May 2007, with a significant Economic Empowerment component. The project will link disabled people to existing employment programmes and to capital in Sri Lanka.

Applications for projects which focus on Economic Empowerment activities are also being submitted to the Big Lottery Fund for Africa, the Big Lottery Fund for Sri Lanka and to Oxfam GB for Sri Lanka.

Motivation Africa has been busy fundraising for Economic Empowerment projects with our local disabled people's organisations. DWSO successfully applied for \$9,400 for a project related to soap making; KASI was awarded \$5,000 for their batik project and the Kenya Paraplegic Organisation has been granted \$5,000 to give start up funding and training to a network of disabled women establishing their own businesses.



Jeewani being interviewed at a Halima, a member of KASI, uses Madu is Motivation Sri Lanka's Job Fair. She was her solar powered cooker to receptionist. She got the job subsequently offered a job as a make cakes to sell machine operator at a garment factory through one of Motivation's job fairs in Colombo

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During 2006, people such as Martin Opiya have been helped with support of wheelchair financing projects. Martin and his family live in a camp for Internally Displaced People in Gulu, Northern Uganda. Over 460,000 people live in these temporary camps with limited access to food, clean water or education/employment opportunities, forced out of villages because of a terrifying and brutal twenty-year guerrilla war. For people with disabilities without an appropriate wheelchair, the situation is dire as they cannot access healthcare or collect rations from UN feeding programmes. Martin uses a three-wheeled rural wheelchair produced by graduates of the 'Wheelchair Technologists Training Course' in Tanzania.

Martin is now mobile which means that his wife is able to leave him during the day and sell the corn she grows at the market. Before Martin had his wheelchair, she had to stay at home to help him with toileting and to get water. Now, however, the family can earn a small income and Martin is much more independent, especially now he can leave his hut to play with his children. He feels that his children see him as their father again, since he can be part of the family. For children who have only ever known the inside of an Internally Displaced People camp, having a father playing an active role in their lives makes a huge difference.

Fundraising performance:

2006 saw an increase in income from 2005. This was largely from statutory sources, with major contributions continuing from USAID and the Department for International Development (DFID). There was significant new income from other international development organisations including Johanniter International and Oxfam Hong Kong. Funding for relief and recovery after the 2004 Tsunami in Sri Lanka continued into 2006, but to a lesser extent than in 2005.

There was a slight drop in unrestricted income due a drop in income from trusts and we experienced higher fundraising costs. However, there was a substantial increase in income from individuals, assisted by the key role of Donor Support Officer. In 2006, Motivation placed more emphasis on direct fundraising for wheelchair funds, to support wheelchair services overseas. This strategy was extremely successful enabling new supporters to be introduced to the organisation, and will be continued next year.

Fundraisers are now in operation in Asia and Africa. These local fundraisers allow access to local sources of funds, and enable formation of collaborations with other International NGOs working locally. We have seen success with this strategy in particular in Uganda and Sri Lanka, with funding coming in from the Norwegian Association for the Disabled and Oxfam Hong Kong.

Future plans:

Programme fundraising will be focused on regional strategic plans, and funds sought both locally and through UK fundraising supported by the UK based Programme Development Team. We intend to register Motivation in Australia in order to access local funds for planned projects in Papua New Guinea and East Timor.

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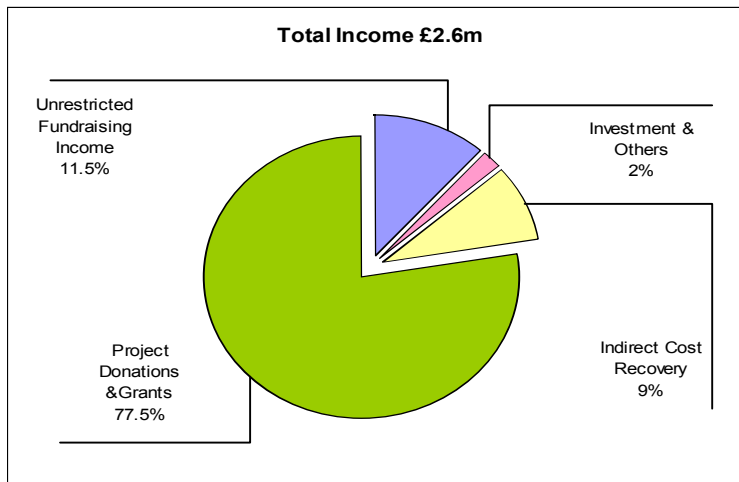
Financial Summary

Income

Motivation income for 2006 was £2.6m representing an increase of 12% from 2005. Income has been growing over the last three years at an average rate of 20%. The growth in the fiscal year ending 31 December 2006 was directly attributable to projects relating to the December 2004 South East Asia tsunami, the Supportive Seating programme for children and the growth of Motivation's projects portfolio in Asia in particular.

The US Agency for International Development (USAID) continued to be the main source of income for Motivation in 2006 albeit at a lower scale than previous years as the charity keeps securing other major sources of funds. Support from individuals has risen by 16% since the previous year and represents a significant proportion of our income in 2006. The table below is a list of the major sources of income in 2006.

2006 sources of income	£'000	Ratio
Statutory bodies and other NGO's	1,413	55%
Trusts, Foundations & Clubs	710	28%
Individuals & reclaimed tax	219	9%
Companies	155	6%
Others	58	2%
Total	2,555	100%



- Total Income of £2.6m
- Indirect Cost Recovery from projects to cover support costs represents 9% of total income and 39% of total unrestricted income
- For every £1 we spend on fundraising, we raise £1.54 for support costs

Motivation Charitable Trust

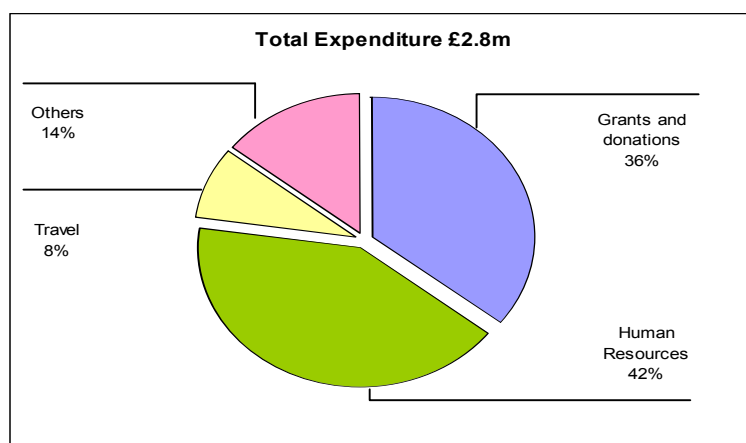
Report of the trustees

For the year ended 31 December 2006

Expenditure

Expenditure over the period reached a total of £2.8m. Restricted project expenditure has risen by 30% since the previous year. 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 Motivation's general growth, however the proportion of indirect costs to project costs has gone down by 5% in the last financial year. This can be attributed to successful budgeting and direct cost recovery through programmes.

	2004	2005	2006
Proportion of indirect costs to project costs (indirect cost rate)	20%	22%	17%
Proportion of indirect costs to total costs	17%	16%	13%



- Total expenditure of £2.8m
- 70% growth pattern since 2004
- Highly skilled and specialised workforce is a dominant cost category
- Grants and donations to local partners on the increase
- Out of every £1 we spend 81p goes toward our work with disabled people

Deficit Programmes

At the end of 2006 the charity allocated £18,368 of restricted programmes deficits to unrestricted reserves. This amount consisted of a number of small deficits for which funds will not be forthcoming in future periods either because of the nature of the programme (training coordination) or because the project has come to an end (Afghanistan wheelchair design upgrade; Indonesia research trip). There was one material deficit programme at the end of the year on the Worldmade Wheelchair Services and Training Fund. The training element was in deficit by £61,377 at the end of the year, this deficit related to spending on the development of training for wheelchair services and the charity already has funding committed for the majority of this deficit, further applications have been made to fund the balance of this deficit.

Motivation Charitable Trust

Report of the trustees

For the year ended 31 December 2006

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 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.

Motivation's ideal target for reserves by the end of 2007 would be **£192,545**, representing four months' running costs, but we achieved only **£44,935** at the end of 2006. The shortfall was due to a number of factors including:

- Continuing exchange rate losses arising on the revaluation of the US dollars against the British pound during the year, with a high proportion of project income being received in US dollars;
- A drop in new income from trusts and foundations against forecast;
- A drop of investment income due to lower cash reserves available for projects;
- Writing off small deficit projects to reserves at the year end

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.

Conclusion

The Trustees/Directors are pleased with the ongoing success of Motivation's programmes in 2006, and particularly by the interest and recognition the organisation now attracts internationally. Motivation continues to work towards achieving its 2006-2008 Development Plan, which outlines our objectives 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.

Motivation Charitable Trust

Report of the trustees

For the year ended 31 December 2006

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.

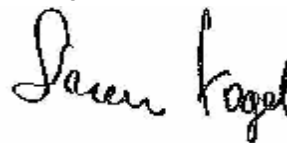
The trustees confirm that to the best of their knowledge there is no information relevant to the audit of which the auditors are unaware. The trustees also confirm that they have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and that this information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

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 2006 was 6 (2005 - 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 June 2007 and signed on their behalf by



Steven Fogel - Trustee

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 2006 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.

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 the directors of Motivation Charitable Trust for the purposes of company law) for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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).

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 whether the information given in the annual report of the trustees is consistent with the financial statements. In addition, we report to you if, in our opinion, 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 the annual report and consider the implications for our report if we become aware of any apparent misstatements within it.

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.

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 the 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.

Independent auditors' report

To the members of

Motivation Charitable Trust

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the charitable company's state of affairs as at 31 December 2006 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the report of the trustees is consistent with the financial statements.



11 June 2007

SAYER VINCENT
Chartered accountants & registered auditors
London

Motivation Charitable Trust

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

For the year ended 31 December 2006

	Note	Restricted £'000	Unrestricted £'000	2006 Total £'000	2005 Total £'000
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	9	281	290	309
Activities for generating funds		5	53	58	38
Investment income		-	6	6	6
<i>Incoming resources from charitable activities</i>					
	3				
Mobility Products		566	-	566	718
Services		550	-	550	459
Rights and Advocacy		477	-	477	303
Capacity Building		334	-	334	215
Economic Empowerment		108	-	108	95
Others		156	-	156	110
<i>Other incoming resources</i>		-	10	10	27
Total incoming resources		2,205	350	2,555	2,280
Resources expended					
<i>Costs of generating funds:</i>					
Costs of generating voluntary income		-	206	206	166
<i>Charitable activities:</i>					
Mobility Products		566	32	598	675
Services		707	29	736	520
Rights and Advocacy		552	23	575	229
Capacity Building		304	19	323	247
Economic Empowerment		94	5	99	97
Others		196	6	202	137
<i>Governance costs</i>		-	31	31	54
Total resources expended	4	2,419	351	2,770	2,125
Net incoming resources before transfers	5	(214)	(1)	(215)	155
Gross transfers between funds		18	(18)	-	-
Net movement in funds		(196)	(19)	(215)	155
Total funds brought forward		576	67	643	488
Total funds carried forward		380	48	428	643

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 2006

	Note	£'000	2006 £'000	2005 £'000
Fixed assets				
Tangible fixed assets	10		<u>38</u>	<u>59</u>
			38	59
Current assets				
Debtors	11	165		83
Short term deposit		-		90
Cash at bank and in hand		<u>297</u>		<u>496</u>
		462		669
Liabilities				
Creditors: amounts due within one year	12	<u>72</u>		<u>85</u>
			390	584
Net current assets				
			<u>390</u>	<u>584</u>
Net assets				
	13		<u>428</u>	<u>643</u>
Funds				
	14			
Restricted funds				
In surplus			460	591
In deficit			(80)	(15)
Unrestricted funds				
General funds			<u>48</u>	<u>67</u>
Total charity funds				
			<u>428</u>	<u>643</u>

Approved by the trustees on 11 June 2007 and signed on their behalf by



Steven Fogel - Trustee

Motivation Charitable Trust

Notes to the financial statements

For the year ended 31 December 2006

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 2006

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	10%
Mobility Products	24%
Services	22%
Rights and Advocacy	17%
Capacity Building	15%
Economic Empowerment	4%
Others	6%
Governance	2%

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 2006

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 :	25%
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	Unrestricted	2006 Total	2005 Total
	£'000	£'000	£'000	£'000
Donations	-	243	243	258
Gifts in kind (see note 9)	4	38	42	51
Legacies	5	-	5	-
Total	<u>9</u>	<u>281</u>	<u>290</u>	<u>309</u>

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

Restricted:

4 Acre Trust
Allen & Nesta Ferguson Trust
Man Group PLC
Marks & Spencer
Patrick Frost Foundation
The Roddicks Foundation

Unrestricted:

Heathside Charitable Trust
Joffe Charitable Trust
Maureen Lilian Charitable Trust
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 2006

3. Incoming resources from charitable activities

	2006	2005
	Total	Total
	£'000	£'000
Restricted income: grants		
<i>for Grants payable:</i>		
Guernsey Overseas Aid		
▪ Africa Wheelchair Fund	24	16
USAID		
▪ Cambodia Study Tour	-	8
Other trusts, foundations and companies:	<u>1</u>	<u>12</u>
	25	36
<i>Donations for grants payable:</i>	<u>35</u>	<u>9</u>
Total restricted income for grants payable	<u>60</u>	<u>45</u>
<i>for Projects:</i>		
Department for International Development (KAR/CSCF):		
▪ Africa	139	115
USAID:		
▪ Disability Support Programme	383	525
▪ Wheelchair User Support Programme	412	419
▪ Tsunami Advocacy and Recovery	214	28
B&Q:		
▪ Worldmade Wheelchair Distribution	50	70
Christoffel-Blinden Mission (CBM)		
▪ Tsunami Advocacy and Recovery	233	209
Oxfam:		
▪ Tsunami Advocacy and Recovery	-	123
▪ Inclusive Vocational Training -Sri Lanka	38	-
Save the Children -Sri Lanka:		
▪ Community based Supportive Seating	86	147
▪ Wheelchair Services and Training (WorldMade)	104	21
Johanniter International:		
▪ Tsunami Reconstruction -Sri Lanka	101	-
International Committee of the Red Cross:		
▪ Worldmade Wheelchair Distribution	31	-
▪ Wheelchair Services and Training (WorldMade)	34	-
Norwegian Association of Disabled:		
▪ Uganda Wheelchair Project	32	-
UNDP:		
▪ Afghanistan Wheelchair Upgrade	16	-
Other trusts, foundations and companies	<u>254</u>	<u>181</u>
	2,127	1,838
<i>Project donations:</i>	<u>18</u>	<u>36</u>
Total restricted project income	<u>2,145</u>	<u>1,874</u>
Total restricted grants and donations:	<u>2,205</u>	<u>1,919</u>
Of which grants:	2,152	1,874
Of which donations:	53	45

Motivation Charitable Trust

Notes to the financial statements

For the year ended 31 December 2006

4. Total resources expended

	Cost of generating voluntary income	Mobility Products	Services	Rights & Advocacy	Capacity Building	Economic Empowerment	Others	Governance	Support Costs	2006 Total	2005 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Grants, products and materials	-	181	356	314	77	23	31	-	-	982	615
Staff costs (note 6)	127	243	227	139	147	33	80	16	84	1,096	924
Other staff costs	1	15	17	4	8	2	10	-	1	58	71
Consultancy	11	29	6	8	1	13	15	-	1	84	49
Legal and professional fees	-	8	1	-	-	-	5	10	1	25	21
Travel and transportation	9	52	54	34	39	11	32	1	2	234	182
Fundraising and publicity	33	1	1	-	-	-	-	-	-	35	33
Office resources	11	25	33	47	26	10	1	2	27	182	186
Depreciation	-	1	1	1	1	-	19	-	2	25	27
Financial Cost	1	1	3	1	1	-	1	-	1	9	8
Foreign exchange loss	-	9	6	4	3	1	-	-	13	36	8
Sundry expenditure	-	1	1	-	1	1	-	-	-	4	1
Total resources expended	193	566	706	552	304	94	194	29	132	2,770	2,125
Support costs	13	32	30	23	19	5	8	2	(132)	-	-
Total resources expended	206	598	736	575	323	99	202	31	-	2,770	2,125

Motivation Charitable Trust

Notes to the financial statements

For the year ended 31 December 2006

5. Net incoming resources for the year

This is stated after charging:

	2006	2005
	£'000	£'000
Depreciation	25	27
Auditors' remuneration:		
▪ audit	9	8
▪ other services	11	10
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	Nil	Nil
	25	27

6. Staff costs and numbers

Staff costs were as follows:

	2006	2005
	£'000	£'000
Salaries and wages	986	852
Social security costs	82	60
Pension contributions	28	12
	1,096	924

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:

	2006	2005
	No.	No.
Costs of generating voluntary income	5	4
Mobility Products	18	19
Services	16	14
Rights & Advocacy	6	4
Capacity Building	10	9
Economic Empowerment	3	5
Others	4	2
Governance	1	1
	63	58

Motivation Charitable Trust

Notes to the financial statements

For the year ended 31 December 2006

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

	2006	2005
	£'000	£'000
Africa Wheelchair Service Network	31	33
Africa Knowledge and Sharing	-	4
Africa Rights for Wheelchair Users	73	79
Uganda Wheelchair Provision	7	
Africa grant programmes	18	7
Sri Lanka Disability Support Programme	91	126
Worldmade Products and Services	59	148
Wheelchair User Support Programme	157	127
Tsunami Recovery and Advocacy Programme	469	89
Community Based Supportive Seating	26	-
Mobility Provision Centre of Excellence	43	-
Other small grants	9	2
	983	615

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	Unrestricted	2006	2005
	Funds	Funds	Total	Total
	£'000	£'000	£'000	£'000
Equipment			-	2
Printing and Stationery	-	1	1	2
Fundraising and publicity costs	2	4	6	12
Travel	1	-	1	2
Legal and professional fees	-	4	4	3
Office Space	-	30	30	30
	4	38	42	51

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 2006

10. Tangible fixed assets

	Computer equipment £'000	Website £'000	Leasehold improvements £'000	Office furniture £'000	Total £'000
Cost					
At the start of the year	114	20	57	23	213
Additions in year	5	-	-	-	5
Disposal in year	(1)	-	-	-	(1)
At the end of the year	<u>118</u>	<u>20</u>	<u>57</u>	<u>23</u>	<u>217</u>
Depreciation					
At the start of the year	73	20	43	19	154
Charge for the year	16	-	6	3	25
At the end of the year	<u>89</u>	<u>20</u>	<u>49</u>	<u>22</u>	<u>179</u>
Net book value					
At the end of the year	<u>29</u>	<u>-</u>	<u>8</u>	<u>1</u>	<u>38</u>
At the start of the year	<u>41</u>	<u>-</u>	<u>14</u>	<u>4</u>	<u>59</u>

11. Debtors

	2006 £'000	2005 £'000
Trade debtors & donations due	156	60
Other debtors	9	23
	<u>165</u>	<u>83</u>

12. Creditors: amounts due within 1 year

	2006 £'000	2005 £'000
Taxation and social security	19	20
Other creditors	33	59
Accruals	20	6
	<u>72</u>	<u>85</u>

13. Analysis of net assets between funds

	Restricted funds £'000	General funds £'000	Total funds £'000
Tangible fixed assets	28	10	38
Net current assets	<u>380</u>	<u>9</u>	<u>389</u>
	<u>408</u>	<u>20</u>	<u>428</u>

Motivation Charitable Trust

Notes to the financial statements

For the year ended 31 December 2006

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 WTTC Development	-	5	(7)	-	(2)
Wheelchair Service Network	49	1	(49)	3	4
Africa Rights for Wheelchair Users	8	139	(137)	-	10
Uganda Wheelchair Provision	-	32	(18)	-	14
Sri Lanka and Asia Programmes:					
Sri Lanka Disability Support Programme Tsunami Recovery and Advocacy Programme	- 215	383 447	(383) (655)	- -	- 7
Community Based Supportive Seating	125	87	(135)	-	77
Mobility Provision Centre of Excellence	-	101	(74)	-	27
Inclusive Vocational Training -Sri Lanka	-	38	(24)	-	14
Ian Gardner Training Centre-Sri Lanka	-	26	(11)	(22)	(7)
Wheelchair Services - Mannar	-	4	(5)	-	(1)
Worldmade Programme:					
WM Wheelchair Services & Training	(15)	194	(205)	19	(7)
WM Design & Production	21	125	(91)	(10)	45
WM Wheelchair Distribution	40	100	(46)	(5)	89
Wheelchair User Support Programme:					
Wheelchair User Support Programme:	33	412	(445)	-	-
Grants Programmes:					
Africa	18	35	(22)	(3)	28
Sri Lanka	14	1	(1)	8	22
Other Grant programmes	-	23	(3)	(2)	18
Other Overseas:					
Marks & Start programme	3	33	(34)	-	2
Motivation Asia Regional Office	3	1	(15)	2	(9)
Motivation Africa Regional Office	-	-	(2)	2	-
Afghanistan Wheelchair Upgrade	-	16	(20)	4	-
UK Projects:					
Leasehold Premises Improvements	23	-	(6)	-	17
Other Restricted Fixed Assets	39	-	(8)	-	31
CAF Training Grant	-	2	(1)	-	1
Training Coordination	-	-	(7)	7	-
Technical Team Coordination	-	-	(15)	15	-
Total restricted funds	576	2,205	(2,419)	18	380
Unrestricted funds:					
General funds	67	350	(351)	(18)	48
Total unrestricted funds	67	350	(351)	(18)	48
Total funds	643	2,555	(2,770)	-	428

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For the year ended 31 December 2006

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	Building the technical capacity and fostering collaboration between the growing network of wheelchair services established by trained wheelchair technologists across Africa.
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.
Uganda Wheelchair Provision	Funded by NAD, this three month programme focuses on facilitating progress on recommendations made during the 2004 Uganda Stakeholder's conference.
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.
Tsunami Recovery and Advocacy Programme	Initiated in response to the devastating South East Asia tsunami to build up a grassroots disability movement to advocate for reconstruction and recovery work to be both inclusive and accessible for disabled people in Sri Lanka.
Community Based Supporting Seating Project	Two-year programme funded by Save the Children to improve the quality of life for children with cerebral palsy in the most marginalised communities in Sri Lanka. Activities include establishing mobility outreach services, designing a wheelchair that promotes childhood development, linking their parents into economic empowerment initiatives and raising awareness of their human rights.
Mobility Provision Centre of Excellence	Project funded by Johaniter International build the Capacity of the Southern Centre for the Disabled to become a centre of excellence in assistive devices and related therapy service provision in Sri Lanka.
Inclusive Vocational Training	Programme funded by Oxfam Hong Kong to integrate people with disabilities into a mainstream employment training, and create opportunities for disabled people to start up their own businesses.
Ian Gardner Training Centre	Creation of a professional training and disability resource centre in Sri Lanka to add value to Motivation's initiatives.

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Notes to the financial statements

For the year ended 31 December 2006

Movements in funds (continued)

Wheelchair Services Implementation - Mannar	To improve the quality of Life for all wheelchair users in the Mannar region through reduced risk of health problems, increased mobility and independence gained by having an appropriate wheelchair.
Worldmade Wheelchair Services and Training	Initiation of sustainable wheelchair services providing access to locally produced and Worldmade wheelchairs by delivering training for local staff. The balance on this fund includes a deficit balance of £61,000 which will be recovered during 2007 through grants and fees for training delivery and a positive balance of £54,000 on other elements of the programme.
Worldmade Design and Production	Product development and production of the Worldmade wheelchairs that are mass-produced, flat-packed and low-cost to meet the global demand for appropriate and durable wheelchairs.
Worldmade Wheelchair Distribution	Funding, production and distribution of the Worldmade wheelchairs. Sponsored by 4 Acre Trust and B&Q.
Wheelchair User Support Programme	Extensive programme funded by the United States Agency for International Development to address many issues wheelchair users face including poverty, denial of human rights and lack of mobility. Activities are run through our network of partners and regional programmes in Asia, Africa and Eastern Europe.

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	Collaboration with Marks & Spencer to create employment opportunities for disabled women in the garment industry in Sri Lanka, India, Bangladesh and Turkey.
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.
Motivation Africa Regional Office	Setup costs for office in South Africa to establish Motivation's work in the continent.
Afghanistan Wheelchair Upgrade	South to South skills transfer project to upgrade service provision and Motivation's 1997 wheelchair design in Afghanistan with technical trainers from the Tanzanian Training Centre for Orthopaedic Technology (TATCOT).

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.
CAF Training grant	Funding to develop internal staff capacity.

Motivation Charitable Trust

Notes to the financial statements

For the year ended 31 December 2006

Movements in funds (continued)

Technical Team Coordination	Funds for research and development of a self sustainable technical service team to service Motivation projects.
Training coordination Coordinating	the creating of new and development existing of training courses with a focus on consistency and quality. Including leading and supporting the development of professional wheelchair services.
General funds	Unrestricted and general funds including; unfunded support, fundraising, management, administration and governance cost of Motivation.