

**Action on
Disability and
Development**

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**Annual Report and Financial
Statements**

31 December 2008



BUZZACOTT

Company Limited by Guarantee
Registration Number
2033925 (England and Wales)

Charity Registration Number
294860

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The following pages do not form part of the statutory financial statements:

Appendix 1 – List of grants to partners 29-31

Legal and administrative information

Trustees	Chris Gillies (chair) Nigel Emson (treasurer) co-opted May 2008 Saghir Alam Clare Evans Liz Goold Agnes Kalibbala Charlie Massey Sebenzile Matsebula Ravi Narayanan
Secretary	Emily Gerrard
Chief Executive	Jabulani Ncube (from 1 January 2008 – March 2009) Jill Flynn (from March 2009)
Registered office and operational address	Vallis House 57 Vallis Road Frome Somerset BA11 3EG
Telephone	01373 473064
Facsimile	01373 452075
Website	www.add.org.uk
E-mail	add@add.org.uk
Company registration number	2033925 (England and Wales)
Charity registration number	294860
Auditors	Buzzacott LLP 12 New Fetter Lane London EC4A 1AG
Bankers	Lloyds Bank Plc Frome Somerset

Trustees' report Year to 31 December 2008

The trustees present their report and the audited financial statements for the year ended 31 December 2008.

The report has been prepared in accordance with Part VI of the Charities Act 1993.

The financial statements have been prepared in accordance with the accounting policies set out on pages 17 to 19 of the attached financial statements and comply with the charity's memorandum and articles of association, applicable laws and the requirements of Statement of Recommended Practice on "Accounting and Reporting by Charities" (SORP 2005).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trustees and Organisational Structure

Nature of governing document

Action on Disability and Development (ADD) is a company limited by guarantee, incorporated on 3 July 1986 and registered as a charity on 18 November 1986. Its company number is 2033925 and its charity number is 294860. ADD is governed by its Memorandum and Articles of Association.

ADD Trustees:

Chris Gillies (chair)	
Nigel Emson (treasurer)	Co-opted in May 2008
Saghir Alam	
Clare Evans	
Liz Goold	
Agnes Kalibbala	
Charlie Massey	
Sebenzile Matsebula	
Ravi Narayanan	

ADD Senior Management Team:

Jill Flynn	Chief Executive from March 2009
Jabulani Ncube	Acting Chief Executive from 1 st January 2008 to March 2009 and Director of International Programmes
Emily Gerrard	Finance Manager
Sarah Sandon	Director of Fundraising

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

How trustees are recruited and appointed

Trustees are recruited and appointed through an open process, with adverts placed in relevant media so as to attract suitably qualified, experienced and committed people. When a specific skills need cannot be filled through this process, individuals may be co-opted to the board for a set period of time. The board's governance committee carefully assesses applications and the most suitably experienced candidates are interviewed prior to an offer of appointment being made. All trustees have three-year renewable terms of office, and any recruitment of new trustees is done following a skills and balance analysis of the existing Board. ADD has a target of at least 50% of our trustees being women and at least 50% disabled people. Of the 9 trustees serving at the end of 2008, 4 are disabled people and 4 are women. The Board also reflects a broad ethnic mix, with two trustees from Africa, one from India, one of South Asian origin and five of European origin.

Policies and procedures for induction and training of trustees

The role of trustees is set out in the person specification in the trustees' manual which is given to all trustees on their joining the Board and which is updated periodically. All trustees are invited for a day's induction in the ADD office prior to taking up their position, and are offered access to external training courses in governance. The Board also follows a trustee and board performance appraisal process that is normally done annually.

Organisational structure and how decisions are made

The Board meets in a variety of ways: twice a year by telephone conference; twice a year with staff in workshops; and twice a year in a business meeting. Additional meetings are convened when necessary. The Board plays a central role in the development and review of the organisation's strategic framework. The Board also discusses and agrees the up-dated plans and reviews current performance. The Chief Executive and Senior Management Team have a clear understanding of authority delegated to them by trustees in the day-to-day running of the organization, programmatic, budgetary and other matters. The Board committees – remuneration and governance – are made up of those with specific skills to bring to bear, have clear descriptions of their roles and responsibilities, and each reports routinely to the full Board with their findings and recommendations. Trustees regularly review the ADD risk policy, map and assessment (usually annually), to ensure all reasonable steps have been taken to eliminate, minimise or mitigate risk as appropriate.

Connections to a wider network

ADD is a member (either as an organisation or by way of individual members of staff) of a variety of umbrella groups, consortia and networks to enable best practice to be developed and maintained and to influence wider society to be more inclusive of disabled people. These networks include BOND (British Overseas NGOs for Development); ACEVO (the Association of Chief Executives of Voluntary Organisations); IDDC (International Disability and Development Consortium). In addition we are strategic partners with DFID (Department for International Development, UK) based on our PPA (Programme Partnership Agreement) and Comic Relief who provide us with a strategic grant.

ADD also has close connections with the disability movement and their representative bodies in the countries that we work in, regionally and internationally.

OBJECTIVES AND ACTIVITIES

Public Benefit

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. The aims and objectives set out below are largely focused on working with Disabled People's Organisations. The ultimate beneficiaries are the disabled people with and for whom those organisations work.

Objects of the charity

ADD's legal objects are set out in its Memorandum and Articles of Association; the charity's strategic focus, vision, aims and objectives are set out below:

ADD is an international development agency, supporting organisations of disabled people in their campaign for the rightful inclusion of disabled adults and children in society. ADD was first established in 1985 and subsequently incorporated as a company in 1986. ADD was set up in recognition of the fact that disabled people, especially disabled women and children, are among the poorest, most disadvantaged and socially excluded, particularly in developing countries, and are often excluded from development and humanitarian assistance. Our vision can be summarised as *a world where all disabled people are able to enjoy their rights, fulfil their responsibilities and obligations and participate as fully as they choose at every level of society.*

Charity's aims

ADD's goal is to support disabled people's organisations (DPOs) in Africa and Asia to influence policy and practice to end social exclusion and poverty. Our twin aims are:

1. **Cultivating Capacity** - To enable rights-based organisations of disabled people to become effective, self-sustaining, democratic and representative membership organisations, able to carry out their work and to promote the rights of all disabled adults and children to full inclusion in society.
2. **Influence** - To work with disability rights organisations to influence policy makers and development organisations to include the rights and needs of disabled people in all their work and to encourage them to allocate resources for this.

Operational Objectives for the year

We pursue our first aim by supporting DPO group formation and the development of their organisations and skills. We do this by providing information, training, mentoring and funding. We also act as a broker to assist groups in finding and accessing the right support, trainers, funders and information from other sources. ADD accompanies organisations as they gain capacity, and hence our role and input changes to reflect the stages of their development and their needs.

OBJECTIVES AND ACTIVITIES (continued)

Operational Objectives for the year (continued)

To pursue our second aim we help DPOs develop and implement advocacy plans, aimed at changing social attitudes, access and the wider policy environment so as to ensure disabled people's full inclusion in society. We do this by providing information, training, mentoring and funding. We also act as a broker to assist groups in finding and accessing other human rights groups working on similar issues, so that through collaboration and mutual support more can be achieved collectively. The adoption of the UN Convention on the Rights of Persons with Disabilities has helped to raise the profile of this area of ADD's work.

Our Strategic approach

We promote a human rights approach to development, challenging the exclusion of disabled people and disablism: disabling attitudes and environments. Fundamental to our work is the acceptance of the social model of disability : that disability is the social consequence of having an impairment and that society needs to change to ensure disabled people are fully involved in development, contributing to a more inclusive and diverse world.

We believe that an effective way to bring about lasting social change that promotes equal opportunities for disabled people is to support the development of vibrant and representative disability organisations as part of the disability rights movement. Disabled people are their own best advocates.

To pursue these strategies, ADD has 6 staffed programmes in Africa i.e. Sudan, Uganda, Tanzania, Zambia, Ghana and Francophone West Africa. The Francophone West Africa programme office, based in Burkina Faso, also covers work in Côte d'Ivoire - when the security situation permits - and Mali. In Asia there are staffed programmes in Cambodia and Bangladesh. A small office, headed by a country director, runs each staffed programme; all are nationals of the country where they work. Internationally, 48% of ADD staff are disabled people (39% including support staff).

ADD also works directly with partner organisations in India and the UK. ADD India, based in Bangalore, is a partner organisation that operates with an independently constituted board and their own director.

Volunteer help

ADD uses volunteers when appropriate individuals offer their services and, on occasion, specific short term staffing needs in the UK and in country programmes have been provided by local volunteers in the UK, volunteers from VSO (Voluntary Service Overseas) or International Service, (IS).

Volunteer help (continued)

During 2008, we had two regular volunteers visiting the UK office who helped with filing Gift Aid forms and general administration. Our Goodwill Ambassador, Anne Wafula Strike, continues to promote ADD at every opportunity. 55 volunteers helped ADD in its annual working slot at Glastonbury.

ACHIEVEMENTS AND PERFORMANCE

Performance achieved against operational objectives set

<i>Objective</i>	<i>Achievement</i>
Continue to support the capacity building and influence work of organisations of disabled people in Africa and Asia in line with our stated strategy, with a planned programme spend of £3.6 million;	<p>Our programme spend for 2008 was £3m. Some programme and partner highlights and individual achievements are summarised below.</p> <p>During 2008 the governments of Zambia and Tanzania signed the UN Convention on the Rights of Persons with Disability Optional Protocol and the governments of Bangladesh and Uganda ratified the convention. These successes are due to the advocacy and influence work of the disability movement supported by ADD.</p> <p>On February 1st 2008, The Council of Ministers of Cambodia approved, for the first time in history, a draft Law to promote and protect the rights of disabled people. This due to the advocacy work of Cambodian DPOs supported by ADD.</p> <p>On her 48th birthday, Al-Shaymaa, became the first ever albino to become an MP in Tanzania. This being the president's response to the Albino killings. ADD has supported the disability movement, especially the Tanzania Albino Society, to lobby the government to bring the perpetrators to justice and to take measures to protect the albino community.</p> <p>The Sudanese Cabinet passed a new Disability Bill in April 2008, which obliges state bodies and societies to respect the rights of disabled people and assist their participation in society at all levels.</p> <p>In Burkina Faso and Mali, specific funding was continued in support of ADD's innovative work with disabled women.</p>

ACHIEVEMENTS AND PERFORMANCE (continued)

Performance achieved against operational objectives set (continued)

Objective	Achievement
	<p>In Bangladesh ADD supported the hearing in court of 72 cases of abuses of human rights of disabled people, mostly women. District Legal Aid Committees include local lawyers, local leaders, DPO leaders, local ADD staff and the representatives of the media.</p> <p>In Uganda, Ghana, Sudan, Tanzania, Zambia and Bangladesh, ADD supported partners to make successful funding applications to a variety of different funders.</p>
<p>International advocacy – Continue the influencing role by ADD of the need to include disabled people in humanitarian and relief programmes, building on the links with DFID, World Vision, Commonwealth Heads of Government Meeting, the United Kingdom's Disabled People's Council, Disabled People's International, the Secretariat of the African Decade of Persons with Disabilities and the Disability Rights Fund to influence policy and practice by major players in disability and development;</p>	<p>Through the PPA relationship with DFID, arrangements are in place for closer work with DFID; in UK for ADD to have access to the emergency and humanitarian relief forums and significant internal contacts; in ADD country programmes to work more closely with DFID to improve inclusive practices in policy formulation and implementation.</p> <p>Working with World Vision to mainstream disability in their work</p> <p>The launch of the Commonwealth Disabled People's Forum in March 2008, instigated by the Uganda disability movement with ADD; next CHOGM meeting in late 2009 – plans are on-going to build on momentum from the 2007 meeting when disability forum in CHOGM was established</p> <p>Further collaboration being developed with other INGOs, the United Kingdom's Disabled People's Council, Disabled People's International and the Secretariat of the African & Asian Decades of Persons with Disabilities</p> <p>Disability Rights Fund funded a number of ADD partners in 2008, and there are a number of links between staff at this fund and at ADD.</p>

ACHIEVEMENTS AND PERFORMANCE (continued)

Performance achieved against operational objectives set (continued)

Implement the recommendations of the Organisational Review Process including an increased emphasis on communication and cross programme learning, a review of the programme support function, strengthened HR process and an international meeting of programmes later in the year;	Implementation of Organisational Review Process started: Increased communication with and between programmes; cross programme learning included visit by Cambodia Country Director to Tanzania programme; Sudan and Tanzania Country Directors joined Uganda programme for fundraising and programme learning; programme support function review started, some functions changed and others (e.g. finance and fundraising) still being reviewed. HR process being strengthened in 2009; international strategy meeting postponed to March 2009.
Senior staff and Board recruitment to strengthen further the capacity and capability of the organisation's leadership and senior management;	Chief Executive recruited in November 2008 taking up post in March 2009;
Strengthen capacity for in-country fundraising and increase and diversify fundraising streams overall, with a target of raising £0.5 million for 2008 in addition to the £3.6 million already secured, and to set targets for future years.	Fundraising training undertaken in UK and Kenya by some programmes; Diversification of income streams started and on-going – from trust funds, other international funders and in-country corporates. The collapse in the world financial markets had a negative effect on ADD's ability to raise an extra £0.5 million. Interim targets have been set of £4m in 2009 and £4.5 million in future years.

ACHIEVEMENTS AND PERFORMANCE (continued)

Fundraising performance

The total received in grants in 2008 was £2,567,654; a decrease of over £255,000 on 2007. Public Fundraising raised a further £1,202,772 during 2008 which is 16% less than 2007. Most of this income was from regular donors, and the reduction is due to lower contributions from a reduced number of donors being insufficiently offset by recruitment of new donors, due partly to reduced investment in fundraising.

Investment performance

Investment income in 2008 was £22,698 derived from money held in bank/building society savings accounts. ADD does not own property or shares.

Factors affecting performance

Investment performance is dictated by the Bank of England base rate and available deposit rates from banks and building societies. It is also affected by fluctuating levels of cash deposits depending on programme activity and timeliness of receipt of grants from donors.

FINANCIAL REVIEW

Reserves policy

ADD's reserves policy was reviewed and updated in November 2006, and includes the following statements:

"ADD's end of year reserves levels for 2007-11 will range from a minimum of £800K and an optimum of £1m.

Where necessary, ADD Trustees will designate sufficient reserves to meet its charitable objectives in accordance with its plan.

Designations can be amended by Trustees decision at any meeting.

ADD will hold an underlying General Fund as a safety net for unforeseen organisational obligations or opportunities of no less than £200K - with a target minimum of £300K and optimum of £500K".

Designations decided on for the 2008 accounts include reducing the fixed assets funds to equivalent of net book value. The Programme Support Fund has been reduced and comprises a £150K safety net for maintenance of programmes and specific designations for key partner commitments in 2009. The designation for Donor Investment has been increased to provide for future fundraising campaigns.

The general fund has been increased to £220K, taking it a little higher above the minimum policy level of £200K, though the target minimum is £300K.

Where necessary, the designated funds (apart from the fixed asset fund) and general fund may be drawn on to provide cash flow to ADD programmes in advance of receipt of secured grants and donations since we will finance 2009 charitable spend principally from 2009 grant and donor receipts.

FINANCIAL REVIEW (continued)

Principal funding sources, and how expenditure has supported key objectives

ADD's principal funding sources:

Voluntary Income including DFID PPA grant:	£2,198,538
Grants for programme activities:	£1,572,654

This latter figure is broken down between a small number of large grants, and larger number of smaller ones. The major institutional donors (i.e. those over £100,000) in 2008 including the partnership grant from DFID were:

Commission for the European Communities	£505,950
Comic Relief	£600,000
Cordaid	£140,002
Manusher Jonno	£105,091
DFID	£972,500

ADD spent £3.4m (86% of total spend) on support for the international disability movement, working at grass roots and national level through our country programme offices with disabled people to organise effectively around their campaigns and initiatives and to influence governments and civil society for their full inclusion and rights. £637K was given in direct grants to partners.

Governance costs at £94K were 2% of total spend and included costs of additional meetings to plan and implement an effective Chief Executive recruitment. & interview process.

£445K (11% of total spend) was spent on generating funds, and included promotional costs, costs of support to in country fundraising and investment in growing ADD's regular donor income.

Funds in deficit

There were no funds in deficit.

Investment policy

ADD's policy is to invest cash with UK banks and building societies on the best possible return for a short-term notice period.

PLANS FOR FUTURE PERIODS

Key objectives for the future –

2009 Targets

- Induction and settling in of newly appointed CEO
- Hold international meeting postponed from 2008 to consolidate the follow up of the organisational review in 2007.
- Develop 5 year global strategic framework to reflect the new priorities identified at the international meeting, underpinned by country programme strategic plans specific to their unique contexts, which will involve ADD's organisational development and transformation to align with the economic contexts, and strengthen DPOs which have developed over the last 24 years of ADD's work.
- Continue to support the capacity building and influence work of organisations of disabled people in Africa and Asia in line with our stated strategy, with planned programme spend of £2.2m
- Continue the influencing role by ADD of the need to include disabled people in development, humanitarian and relief programmes, building on the links already made, extending to reach more players and leveraging our networks to create a multiplier effect.
- Develop/transform systems and structures to the new role demanded of ADD by the disability movement
- Renew the resource mobilising strategy to maintain current and generate new sources of income

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Company law requires the trustees (who are the directors of the company for the purpose of the Companies Act) to prepare accounts which give a true and fair view of the state of affairs of the charity at the end of the financial year and of its surplus or deficit for the financial year. In preparing accounts giving a true and fair view, 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 have been followed, subject to any material departures disclosed and explained in the accounts;
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

STATEMENT OF TRUSTEES' RESPONSIBILITIES (continued)

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

The trustees are responsible for the maintenance and integrity of the financial information published on the charity's website or by other electronic means. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the trustees, in his or her capacity as director of the charitable company, confirms that:

- ◆ So far the trustee is aware, there is no relevant audit information of which the charity's auditors are unaware;
- ◆ The trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information; and
- ◆ To establish that the charity's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Approved by the trustees and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Chris Gillies', written over a large, stylized capital letter 'C'.

Chris Gillies (chair)
Trustee

Approved by the trustees on: 29 May 2009

Report of the independent auditors to the trustees of Action on Disability and Development

We have audited the financial statements on pages 15 to 28 which have been prepared under the historical cost convention and the accounting policies set out on pages 17 to 19.

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described on pages 11 and 12 the trustees, who are also the directors of Action on Disability and Development for the purposes of company law, are responsible for the preparation of the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 if, in our opinion, the charity 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 trustees' remuneration and transactions with the charitable company is not disclosed.

We report to you whether in our opinion the information given in the trustees' report is consistent with the financial statements.

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

Basis of opinion

We conducted our audit in accordance with 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.

Independent auditors' report 31 December 2008

Basis of opinion (continued)

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether 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, of the charitable company's state of affairs as at 31 December 2008 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended;
- ◆ The financial statements have been properly prepared in accordance with the Companies Act 1985; and
- ◆ The information given in the trustees' report is consistent with the financial statements.



Buzzacott LLP

Chartered Accountants and Registered Auditors

12 New Fetter Lane

London

EC4A 1AG

29 May 2009

Statement of financial activities Year to 31 December 2008

	Notes	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
Income and expenditure					
Incoming resources					
Incoming resources from generated funds					
. Voluntary income	1,2	2,197,772	766	2,198,538	2,391,933
. Investment income		20,457	2,241	22,698	32,777
Incoming resources from charitable activities					
	2	—	1,572,654	1,572,654	1,857,737
Other incoming resources		17,162	37,276	54,438	120,508
Total incoming resources		2,235,391	1,612,937	3,848,328	4,402,955
Charitable expenditure					
Cost of generating funds					
. Cost of generating voluntary income	1	444,867	—	444,867	996,564
Support of International Disability Movement					
. International Programme Offices		1,090,695	1,007,851	2,098,546	2,046,309
. Grants to partners		348,288	289,204	637,492	653,306
. Programme support		423,439	197,549	620,988	657,526
Governance costs		62,673	31,453	94,126	144,449
Total resources expended	7	2,369,962	1,526,057	3,896,019	4,498,154
Net outgoing resources and net movement in funds	8	(134,571)	86,880	(47,691)	(95,199)
Fund balances brought forward at 1 January 2008		963,071	70,638	1,033,709	1,128,908
Fund balances carried forward at 31 December 2008		828,500	157,518	986,018	1,033,709

There is no difference between the net movement in funds stated above, and the historical cost equivalent.

All of the charity's activities derived from continuing operations during the above two financial periods.

Balance sheet 31 December 2008

	Notes	2008 £	2008 £	2007 £	2007 £
Fixed assets					
Tangible fixed assets	11		<u>28,289</u>		<u>72,140</u>
Current assets					
Debtors	12	486,083		323,931	
Cash at bank and in hand	13	<u>1,139,050</u>		<u>1,045,127</u>	
		1,625,133		1,369,058	
Creditors: amounts falling due within one year	14	<u>(394,532)</u>		<u>(171,432)</u>	
Net current assets			<u>1,230,601</u>		<u>1,197,626</u>
Total assets less current liabilities			<u>1,258,890</u>		<u>1,269,766</u>
Provisions	15		<u>(272,872)</u>		<u>(236,057)</u>
Total net assets			<u>986,018</u>		<u>1,033,709</u>
Represented by:					
Funds and reserves					
Income funds:					
Restricted funds	16		157,518		70,638
Unrestricted funds	17				
· General fund			220,211		204,715
· Designated funds			<u>608,289</u>		<u>758,356</u>
			<u>986,018</u>		<u>1,033,709</u>

Approved by the trustees
and signed on their behalf by:

Trustee



Approved on:

29 May 2009

Principal accounting policies 31 December 2008

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the requirements of the Companies Act 1985 and applicable accounting standards. The Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) has been followed in the preparation of these financial statements.

Incoming resources

Incoming resources are all reported gross and the Statement of Financial Activities recognises all incoming resources becoming available to the charitable company during the year. Volunteer time is not included in the financial statements.

Legacy income is accounted for on a receivable basis. A legacy is considered receivable for the period only once the amount is known with certainty.

Grants receivable are normally accounted for when received, except where they related to a specified future period, in which case they are treated as deferred income.

Resources expended and the basis of apportioning costs

Expenditure is included in the statement of financial activities when incurred and includes attributable VAT which cannot be recovered.

Resources expended are shown gross and accruals are included in creditors for all known liabilities relating to the year.

Expenditure on overseas programmes comprises all direct programme expenditure and all the staff related costs of the countries' offices.

Grants payable to overseas partners are those grants paid both directly from the UK and those paid by ADD programmes overseas to the charitable company's partners overseas.

Programme support costs comprise expenditure incurred for management of and support to overseas programmes together with the related overheads which are recovered through administration charges levied on programmes in agreement with funders.

Cost of generating funds relate to the costs incurred by the charitable company in inducing others to make voluntary contributions to it.

Governance costs of the charitable company comprise costs of the management of its assets, organisational management and administration, and compliance with constitutional and statutory requirements including audit fees.

Resources expended and the basis of apportioning costs (continued)

The charitable company makes contributions on behalf of its UK 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.

Tangible fixed assets

All assets in the UK costing more than £500 and with an expected useful life exceeding one year are capitalised.

Fixed assets are depreciated at the following annual rates in order to write them off over their estimated useful lives:

♦ Computer equipment	25% straight line
♦ Office equipment	25% reducing balance
♦ Motor vehicles, overseas programmes	33% straight line

Capital items purchased for use overseas, with the exception of vehicles, are depreciated 100% in the year of acquisition.

Fund accounting

Restricted funds are funds subject to specific conditions imposed by the funders and relate to specific projects. Expenditure which meets these criteria is charged to the funds together with a fair allocation of management and support costs.

Interest earned on restricted income is not applied to the restricted fund unless specifically requested by the donor. Such interest will be treated as unrestricted income designated for programme support.

Unrestricted funds comprise accumulated surpluses and deficits on general funds and are available for use at the discretion of the trustees in furtherance of the objects of the charitable company.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Cash flow

The accounts do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash flow statements".

Principal accounting policies 31 December 2008

Foreign currencies

Transactions in foreign currency are accounted for on a monthly basis at the cumulative (mean) cost of the currency held. At the balance sheet date, the value of the foreign exchange held is compared to the current rates of exchange and where significant an exchange difference will be taken into account in the statement of monetary assets.

Provisions

Provisions are made where there exist contractual liabilities for payment of funds at an unspecified future date.

CEC provision: For bank interest earned on restricted grants held prior to use.

Termination provision: For staff entitlements on cessation of their employment contracts.

Notes to the accounts 31 December 2008

1 Voluntary income and cost of generating voluntary income analysis

	2008 Total funds £	2007 Total funds £
Income		
Grants	995,000	965,000
Regular donations/collections	1,147,658	1,223,671
Legacies	—	130,031
Mails (warm and cold)	26,747	36,638
Events and merchandise	29,133	36,593
Total voluntary income	2,198,538	2,391,933
Costs of generating voluntary income		
Grants	47,722	—
Regular donor acquisition and support	312,457	931,289
Legacies	—	6,747
Mailings	31,823	20,272
Events and merchandise	13,137	5,674
Promotional activities	39,728	32,582
Total costs of generating voluntary income	444,867	996,564

Notes to the accounts 31 December 2008

2 Grants (all institutional)

	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
Allen & Nesta Fergusan Trust	—	5,000	5,000	—
Asia Foundation	—	75,038	75,038	24,494
Big Lottery Fund	—	—	—	109,355
Bread for the world	—	9,722	9,722	8,340
CAFOD	—	50,000	50,000	140,000
Comic Relief	—	600,000	600,000	600,000
Commission for the European Communities (CEC)	—	505,950	505,950	701,320
Cordaid (formerly Mensen in Nood) (Note 4)	—	140,002	140,002	142,103
Department for International Development UK (Note 3)	1,217,500	—	1,217,500	955,365
Handicap International	—	866	866	—
Headley Trust (note 3)	—	15,000	15,000	—
IDCS	—	—	—	9,781
Japan League on Intellectual Disabilities	—	7,226	7,226	698
Manusher Jonno	—	105,091	105,091	76,162
NETZ	—	546	546	20,525
New Field Foundation (Note 3)	—	40,361	40,361	12,490
Other and anonymous grants	15,000	50,098	65,098	20,025
29 th May 1961 Charitable Trust	7,500	—	7,500	—
Tusuka Fashion	—	1,963	1,963	—
World Vision	—	1,152	1,152	2,079
Total grants	1,240,000	1,608,015	2,848,015	2,822,737
Less: Deferred income (note 3)	(245,000)	(35,361)	(280,361)	—
Total grants receivable	995,000	1,572,654	2,567,654	2,822,737

Notes to the accounts 31 December 2008

3 Movement in deferred income

	At 1 January 2008 £	Movement £	At 31 December 2008 £
Department for International Development	—	245,000	245,000
Headley Trust	—	15,000	15,000
New Field Foundation	—	20,361	20,361
	—	280,361	280,361

4 Cordaid Grants by Country

	2008 £	2007 £
Bangladesh	140,002	142,103

5 Grants payable to partners

Where ADD's support to partners includes the provision of funds a formal *Agreement to Support* is entered into. Grants are made for the running costs and activities of the disabled people's organisations.

	2008 £	2007 £
UKDPC – UK's Disabled People's Council (formerly BCODP – British Council of Disabled Persons)	—	15,000
India paid from UK		
· ADD India	28,096	40,967
Total partner grants paid direct from UK	28,096	55,967

6 Grants and payments to partners from programmes

	2008 £	2007 £
Bangladesh	110,175	106,924
Cambodia	36,452	35,181
Ghana	32,580	38,893
Sudan	75,693	58,607
Tanzania	94,056	59,502
Uganda	101,122	111,273
Francophone West Africa	50,005	87,989
Zambia	109,313	98,970
ADD programmes payments to partners	609,396	597,339
ADD UK total grants to partners	28,096	55,967
Grand total partner grants	637,492	653,306

Notes to the accounts 31 December 2008

7 Total resources expended

	ADD Programmes £	Grants payable to partners £	Programme and partner support £	Cost of generating funds £	Governance £	2008 Total £	2007 Total £
UK Staff costs (note 9)	—	—	504,045	222,329	39,380	765,754	794,191
Grant and field operations	2,059,354	637,492	—	—	—	2,696,846	2,614,312
General running and campaign costs	—	—	73,160	222,538	6,101	301,799	898,223
Travel and transport	136	—	35,822	—	—	35,958	40,501
Depreciation	39,056	—	7,961	—	—	47,017	58,457
Organisational review	—	—	—	—	—	—	62,716
Trustees' costs	—	—	—	—	36,035	36,035	18,734
Audit and banking costs	—	—	—	—	12,610	12,610	11,020
Total resources expended 2008	2,098,546	637,492	620,988	444,867	94,126	3,896,019	4,498,154
Total 2007	2,046,309	653,306	657,526	996,564	144,449	4,498,154	

8 Net outgoing resources for the year

This is stated after charging (crediting):

	2008 £	2007 £
Depreciation	47,017	58,457
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses:		
. Costs incurred in attending trustee meetings for 8 (2007 – 8) trustees	18,707	11,605
Auditors' remuneration:		
. Audit	12,536	10,609
. Non-audit services	5,333	2,908
. Overseas auditors	43,093	27,633

9 Staff costs and numbers

The total staff costs of UK based employees were as follows:

	2008 £	2007 £
Wages and salaries	499,517	503,383
Social security costs	50,893	49,079
Other pension costs	17,272	20,944
Total emoluments paid to staff based in UK	567,682	573,406
Other staff costs (PHI, training, recruitment)	198,072	220,785
Total staff costs in the UK	765,754	794,191
Total staff and salary costs for field staff based overseas	1,049,591	863,788

No employee (2007 – none) received total emoluments in excessive of £60,000 in the year excluding payments for disability allowances that the trustees do not regard as remuneration as they are required to compensate employees who are not eligible for statutory allowances under UK residency rules.

The average number of employees during the year, calculated on a full time equivalent basis, analysed by function, was as follows:

	2008 Number	2007 Number
Field staff – overseas based	161	163
Programme support – UK based	5	10
Fundraising – UK based	8	4
Management and administration – UK based	5	3
	179	180

10 Taxation

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

11 Tangible fixed assets

	Office and computer equipment £	Overseas assets £	Total £
Cost or valuation			
At 1 January 2008	150,143	405,799	555,942
Additions in year	3,460	—	3,460
Disposals in year	(1,175)	(18,631)	(19,806)
At 31 December 2008	<u>152,428</u>	<u>387,168</u>	<u>539,596</u>
Depreciation			
At 1 January 2008	130,708	353,094	483,802
On disposals	(881)	(18,631)	(19,512)
Charge for year	7,961	39,056	47,017
At 31 December 2008	<u>137,788</u>	<u>373,519</u>	<u>511,307</u>
Net book values			
At 31 December 2008	<u>14,640</u>	<u>13,649</u>	<u>28,289</u>
At 31 December 2007	<u>19,435</u>	<u>52,705</u>	<u>72,140</u>

12 Debtors

	2008 £	2007 £
Due within one year		
Other debtors	91,072	16,347
Prepayments	32,318	25,459
Accrued income	362,693	282,125
	<u>486,083</u>	<u>323,931</u>

13 Cash at bank and in hand

	2008 £	2007 £
UK current accounts and cash in hand	18,789	92,062
Foreign accounts	371,431	482,340
UK deposit accounts	747,909	469,663
Travellers cheques	921	1,062
	<u>1,139,050</u>	<u>1,045,127</u>

14 Creditors: amounts falling due within one year

	2008 £	2007 £
Payroll taxes	32,875	16,755
Accruals	27,585	13,264
Other creditors	53,711	141,413
Deferred income (note 3)	280,361	—
	394,532	171,432

15 Provisions

	At 31 December 2007 £	Incoming (charge for year) £	Outgoing (utilised) £	Transfer to programmes £	At 31 December 2008 £
CEC	15,438	—	—	—	15,438
Overseas staff termination	220,619	106,939	(70,124)	—	257,434
	236,057	106,939	(70,124)	—	272,872

16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trusts to be applied for specific purposes:

	At 1 January 2008 £	Incoming resources £	Resources expended £	Spend financed by(to) des/global £	At 31 December 2008 £
Bangladesh	27,122	610,302	(660,040)	116,618	94,002
Cambodia	—	144,519	(232,172)	87,653	—
Ghana	—	266	(317,476)	317,210	—
Guyana	3,849	—	—	—	3,849
India	26,276	—	(28,096)	28,096	26,276
Sudan	—	91,091	(283,092)	192,001	—
Tanzania	—	143,782	(334,775)	190,993	—
Uganda	—	428,252	(537,801)	129,549	20,000
West Africa	—	24,261	(391,175)	366,914	—
Zambia	—	154,867	(504,775)	349,908	—
Zimbabwe	13,391	—	—	—	13,391
General	—	15,597	(74,478)	58,881	—
Total restricted funds	70,638	1,612,937	(3,363,880)	1,837,823	157,518

The above table reflects the movements on the programmes. The expenditure made from designated funds is included as a positive figure as it is included within the total resources expended figure. In the SOFA the total restricted expenditure shown is £1,526,057 being the total resources expended on the programmes less the amount met from designated reserves.

16 Restricted funds (continued)

The restricted funds are for the continued operation of programme and partner activities in accordance with agreements entered into with funders. The report of the trustees gives more information on these funds.

The charitable company's restricted funds include £43,516 (2007: £43,516) of surplus funds in respect of projects which have been completed or which are not currently active. The charitable company has not yet been advised as to whether these funds are returnable to the donor.

17 Unrestricted funds

	At 1 January 2008 £	New designations £	Resources expended £	Applications £	At 31 December 2008 £
<i>Designated funds:</i>					
Fixed assets and computer investments	50,000	—	(35,360)	—	14,640
Overseas fixed assets	52,705	—	(39,056)	—	13,649
Donor acquisition investment	100,000	412,457	(312,457)	—	200,000
Programme support	420,000	1,667,824	—	(1,837,824)	250,000
Office repairs, renewals and sublet	18,000	—	—	—	18,000
Overseas vehicle replacement provision	75,651	—	(651)	—	75,000
Employment fund	42,000	25,000	(30,000)	—	37,000
<i>Total designated funds</i>	758,356	2,105,281	(417,524)	(1,837,824)	608,289
General fund	204,715	130,110	(114,614)	—	220,211
Total unrestricted funds	963,071	2,235,391	(532,138)	(1,837,824)	828,500

Designated funds

Fixed asset & computer investments

These funds are for future replacement of fixed assets and for investment in computer systems.

Donor acquisition investment

These funds are for future investment in fundraising initiatives to increase our donations from members of the public.

Programme support

This fund is for un-funded programme and partner costs and especially to underwrite Programmes whose continuity may be threatened due to fund-raising delays, and to finance their support costs.

Office repairs and renewals and sublet

This fund is to provide for the cost of future office repairs and renewals under the terms of our UK lease.

Employment fund

This fund is to provide for possible exceptional employment costs such as unbudgeted recruitment or long term absence.

Notes to the accounts 31 December 2008

17 Unrestricted funds (continued)

Overseas vehicle replacement provision

This fund is to provide top up funds for replacement vehicles, where insufficient insurance cover has been secured.

18 Analysis of net assets between funds

	Restricted funds £	Designated funds £	General fund £	Total 2008 £
Fund balances at 31 December 2008 are represented by:				
Tangible fixed assets	—	28,289	—	28,289
Current assets	157,518	580,000	887,615	1,625,133
Current liabilities	—	—	(394,532)	(394,532)
Provisions	—	—	(272,872)	(272,872)
Total net assets	157,518	608,289	220,211	986,018