

**Action on
Disability and
Development**



**Annual Report and Financial
Statements**

31 December 2007

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

Charity Registration Number
294860

BUZZACOTT

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Legal and administrative information

Trustees	Chris Gillies (chair) Terry Parker (retired May 2007) Saghir Alam Clare Evans Liz Goold Agnes Kalibbala Charlie Massey Sebenzile Matsebula Ravi Narayanan
Secretary	Emily Gerrard
Chief Executive	Isaac Kute (stepped down 31 December 2007) Jabulani Ncube (from 1 January 2008)
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 2007

The trustees present their report and the audited financial statements for the year ended 31 December 2007.

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 19 to 21 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)	
Terry Parker (treasurer)	(retired May 2007)
Saghir Alam	
Clare Evans	
Liz Goold	
Agnes Kalibbala	
Charlie Massey	
Sebenzile Matsebula	
Ravi Narayanan	

ADD Senior Management Team:

Isaac Kute	Chief Executive – left ADD 31 st December 2007
Emily Gerrard	Finance Manager
Martin Long	Programme Development Dept Manager – left ADD Feb 9 th 2007
Sarah Sandon	Interim Programme Development Dept. Manager from 1 st Jan 2007 to 30 th September 2007 and Director of Fundraising from 1 st October 2007
Ruth Knagg	Public Fundraising Manager on Senior Management Team until 31 st Jan 2007, left ADD 15 th November 2007
Jabulani Ncube	Director of International Programmes from 1 st September 2007 and acting Chief Executive from 1 st January 2008

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 8 trustees serving at the end of 2007, 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 four 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 meanwhile 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 two Board committees – remuneration and governance – are made up of those with specific skills and interests 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), where our Chief Executive was elected to the board at their 2007 AGM; ACEVO (the Association of Chief Executives of Voluntary Organisations); IDDC (International Disability and Development Consortium); and NCVO (National Council for Voluntary Organisations). In addition we are strategic partners with DFID based on our PPA (Programme Partnership Agreement) and Comic Relief who provide us with a strategic grant.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Connections to a wider network (continued)

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

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 advent 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 i.e. disabling attitudes and environments. Fundamental to our work is the acceptance of the social model of disability i.e. 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 representative, runs each staffed programme; all are nationals of the country where they work and overall 42% of ADD staff are disabled people.

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. A new volunteer helped ADD launch its fundraising activities through half marathons and other national runs. In October a local teacher went to Ghana to take photographs and collect case study material for ADD. Our first Goodwill Ambassador, Anne Wafula Strike, continues to promote ADD at every opportunity. In particular she participated in the Great Manchester Run, raising funds for ADD. 48 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 with supporting 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 £3.42 million.	Our programme spend for 2007 was £3.45 million, just under 1% higher than our target. Programme highlights and individual achievements are summarised below.
Improving communication and relationships within ADD. We are keen to encourage a range of formal and informal communication methods and networks across the organization, as well as working towards improving the quality of relationships amongst ourselves.	The Organisation Review facilitated and opened new lines of communication as had not been experienced in ADD for a long time about the work of the organisation and in terms of relations between the head office and overseas programmes. By the end of the year a new framework for dialogue had emerged and a new outlook was beginning to be experienced. This meant that everyone in the organisation, from Trustees to all staff, began to feel more confident to critically examine their role in the organisation.
Improvement of Personnel support, training and staff development. We want to ensure that all staff are sufficiently trained and otherwise resourced to carry out their responsibilities and adapt to changes in role and circumstances.	The need for improved staff support, development and training was highlighted in the Organisation Review. By the end of the year, it was clear which specific HR functions and activities need to be addressed and that that may need the support of UK and/or local HR specialist consultants. The people management aspect of HR will form part of the follow up to the Organisation Review. This will involve the continued support of the OR consultants to the International Programmes team in the UK and in programmes.

ACHIEVEMENTS AND PERFORMANCE (continued)

<p>Fundraising - where we will be making an additional significant investment of £500,000 on initiatives we identified in our fundraising strategy. Our aim is to secure growth in income to at least £4.5 million by 2011. This year, the investment will extend to country programmes to improve local fundraising opportunities.</p>	<p>£1,423,551 was raised through public donations, events and legacies. The amount raised through regular donations was 33% higher than in 2006, which suggests that the extra investment is proving effective in the long-term. As measuring the effectiveness of Direct Approach Fundraising is not straightforward, more detailed systems of analysis are being developed to ensure we understand as fully as possible the return on investment.</p> <p>Investment in country programmes to improve local fundraising was made to those in a position to use it effectively. Cambodia, FWAP and Bangladesh programmes were allocated an additional amount to enable them to recruit fundraisers. All three programmes now have resource mobilisation officers who are researching local opportunities and submitting applications.</p>
<p>Full review of our programme development support function. We want to complete a review and possible realignment of our programme development (PDD) function to ensure programmes and programme fundraising are supported in the most cost effective manner.</p>	<p>This activity was subsumed within the organisation review discussed below. The review raised the question of how ADD should work in the future in order best to build on the 22 years' successful experience and significant achievements in supporting the disability movements in Africa and Asia. The key priority coming out of the review is to ensure that ADD's focus is centred on where the work takes place, i.e. the country programmes. The programme support function is still evolving as more responsibility is devolved to the country programme directors. The function of programme support currently includes mentoring to support critical engagement with the work, facilitating dialogue between programmes, training and research. The programme fundraising function has moved to a re-structured fundraising department, while maintaining close links with the International Programmes Department (IPD) previously known as PDD.</p>

ACHIEVEMENTS AND PERFORMANCE (continued)

<p>Engagement with international and regional initiatives – by the end of 2007, we want all programmes to have completed specific strategies for supporting our partners on initiatives around the UN Convention on the Rights and Dignity of persons with disabilities. Additionally, we want to increase our engagement with the African and Asia Pacific Decades on Disability – supporting their continental plans of action agreed within partnership frameworks.</p>	<p>All programmes supported their partners to lobby for signing and ratification of the UN Convention. All 2008 plans therefore have convention implementation plans.</p> <p>Through our Uganda country programme we supported the East Africa Federation of Disabled People (EAFOD) to develop a strategic plan on which they can fundraise.</p> <p>Again, our Uganda programme in collaboration with the national disability movement pioneered efforts to position disability issues at the heart of the Commonwealth ahead of the CHOGM. Efforts which began in Uganda, following the conference of disabled people from Commonwealth countries, meant that for the first time in its history, the Commonwealth Heads of Government Meeting resolved to establish a Commonwealth Disabled People's Forum. This directly supports the promotion of the UN Convention across the countries of the Commonwealth.</p> <p>The Bangladesh Country Programme Director participated in the high-level intergovernmental meeting on the Midpoint Review of the Asian and Pacific Decade of Disabled Persons, 2003-2012 held in Bangkok from 19-21 September 2007. He also attended the 2007 7th DPI World Assembly in South Korea. Seven persons from Bangladesh, including two leaders of disabled people's organizations, participated in the assembly. ADD's chief executive also attended.</p> <p>Our influencing role was further leveraged through a secondment to DFID of our staff member, Lorraine Wapling.</p> <p>Through in-country consultations prior to the DFID How To Note (HTN) on mainstreaming disability in their programmes, some of our partners had an opportunity to feed primary information into the process that resulted in the HTN.</p> <p>A growing relationship has emerged with World Vision through ADD's support of and direct involvement in their mainstreaming activities in Cambodia, Ethiopia, Niger, and the UK.</p>
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ACHIEVEMENTS AND PERFORMANCE (continued)

<p>Engagement with international and regional initiatives (continued)</p>	<p>ADD continued to play a supportive role to BOND through Isaac Kute's membership of the Board of BOND and Lorraine Wapling's chairing of the BOND DDG group.</p>
<p>Organizational development (OD) – We would like to use this exercise to understand the extent to which we need to change as an organisation, consider what shape that change will take and to unlock the will and create the environment to change. The outcomes of the OD process will place us in a position to consider a new strategic framework with a fresh perspective</p>	<p>The Organisation Review was commissioned to give ADD the opportunity to reflect on its work of over two decades in support of the disability movement. The process, facilitated by Red Kite Partners, afforded space to assess the continuing importance of ADD's work, formulate the future direction, and to examine staff capabilities to engage with a grown disability movement. This was also an opportunity to assess the leadership, management and funding issues of the organization. Events that marked the Organisation Review process were consultative regional meetings in West and East Africa and in Bangladesh for the South Asia region. Reference group meetings for the Organisation Review were held in June and November (face to face), and in between by monthly telephone conferences. After commissioning the process, Trustees had opportunities to feed into it along the way, culminating in them receiving and discussing the final report at their November 2007 meeting.</p> <p>The Organisation Review recognised ADD's support and success in helping the growth of DPOs over the last two decades. It highlighted the challenge facing programme staff in terms of the enhanced skills now needed to work with a grown, politicised movement that is not homogenous. Cross programme collaboration and sharing was proposed in order to increase learning and mutual support among programmes, also to counter occasional feelings of isolation by programme directors working with complex issues often in situations where staff competencies may also be diverse.</p> <p>Further outcomes of the Organisation Review were recommendations around:</p> <ul style="list-style-type: none"> ◆ How we measure the quality of our work;

ACHIEVEMENTS AND PERFORMANCE (continued)

<p>Organisational development (continued)</p>	<ul style="list-style-type: none"> ◆ The approaches to managing our work do we take and what theories underpin them; ◆ The nature of leadership in ADD; ◆ HR support needs of programmes and the staff development approaches we should take; ◆ Resources required to aid thinking and reflection in programmes. ◆ The results of the Organisation Review have led to a programme of action and research throughout ADD during 2008, a key ingredient of which will be an international conference to share learning.
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Fundraising performance

The total received in grants in 2007 was £2,810,247, an increase of over £800,000 on 2006. Some of this is attributable to the EU (4 current grants in 2007) and some to the additional income raised in Bangladesh in response to two major emergencies, the floods and the cyclone. Public Fundraising raised a further £1,423,551 during 2007 against a target of £1,294,436. This is 10% above target.

2007 was the beginning of significant change for ADD with regard to one of its traditional long-term funders. The Department for International Development (“DFID”) launched a new fund (the Governance and Transparency Fund) and the results of applications to the fund were still awaited at the year end. A Mid Term Review of all Partnership Programme Agreements (“PPA”) was also launched by DFID, which involved a long process of consultation with the PPA holders, including ADD, the longer-term effect of which was still not fully clear at the end of 2007.

Investment performance

Investment income in 2007 was £32,777 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”.

The designations decided on for the 2007 accounts include an increase in programme support fund to £420K. The designations to the Programme Support Fund are mainly to assist programmes with cash flow since we will finance 2008 charitable spend principally from 2008 grant and donor receipts.

The funds designated for donor acquisition fund in 2006 were used for investment in securing future years' income during 2007. It is not planned to invest at the same level during 2008.

The general fund, at £205K is currently being maintained at just above the minimum policy level, though the target minimum is £300K.

Principal funding sources, and how expenditure has supported key objectives

ADD's principal funding sources:

Voluntary Income including DFID PPA grant:	£2,388,551
Grants for programme activities:	£1,857,737

FINANCIAL REVIEW (continued)

Principal funding sources, and how expenditure has supported key objectives

(continued)

This latter figure is broken down between a small number of major donors, and larger number of smaller ones. The major donors (i.e. those over £100,000) in 2007 including the partnership grant from DFID were:

Commission for the European Communities	£701,320
CAFOD	£140,000
Comic Relief	£600,000
Cordaid	£142,103
DFID	£955,365
Big Lottery Fund (previously The Community Fund)	£109,355

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 –

2008 Targets

- 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;
- 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;
- 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;
- Senior staff and Board recruitment to strengthen further the capacity and capability of the organisation's leadership and senior management;
- 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.

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.

Auditors

During the year Sayer Vincent resigned as auditors and Buzzacott LLP were appointed by the trustees in their place. Buzzacott LLP, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

Approved by the trustees and signed on their behalf by:

Chris Gillies (chair)
Trustee

Approved by the trustees on: 23 May 2008

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

We have audited the financial statements on pages 17 to 30 which have been prepared under the historical cost convention and the accounting policies set out on pages 19 to 21.

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 13 and 14 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 trustees' report is not consistent with the financial statements, if 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.

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 2007 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended;
- 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

23 May 2008

Statement of financial activities Year to 31 December 2007

	Notes	Unrestricted funds £	Restricted funds £	2007 Total funds £	2006 Total funds £
Income and expenditure					
Incoming resources					
Incoming resources from generated funds					
. Voluntary income	1,2	2,388,551	3,382	2,391,933	1,941,339
. Investment income		30,863	1,914	32,777	40,592
Incoming resources from charitable activities					
	2	—	1,857,737	1,857,737	1,556,509
Other incoming resources		88,913	31,595	120,508	82,570
Total incoming resources		2,508,327	1,894,628	4,402,955	3,621,010
Charitable expenditure					
Cost of generating funds					
. Cost of generating voluntary income	1	996,564	—	996,564	600,758
Support of International Disability Movement					
. International Programme Offices		769,410	1,276,899	2,046,309	2,020,178
. Grants to partners		300,831	352,475	653,306	482,845
. Programme support		434,861	222,665	657,526	506,505
Governance costs		107,294	37,155	144,449	75,669
Total resources expended	8	2,608,960	1,889,194	4,498,154	3,685,955
Net outgoing resources and net movement in funds	9	(100,633)	5,434	(95,199)	(64,945)
Fund balances brought forward at 1 January 2007		1,063,704	65,204	1,128,908	1,193,853
Fund balances carried forward at 31 December 2007		963,071	70,638	1,033,709	1,128,908

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 2007

	Notes	2007 £	2007 £	2006 £	2006 £
Fixed assets					
Tangible fixed assets	12		72,140		51,719
Current assets					
Debtors	13	323,931		258,037	
Cash at bank and in hand	14	1,045,127		1,142,750	
		1,369,058		1,400,787	
Creditors: amounts falling due within one year	15	(171,432)		(128,566)	
Net current assets			1,197,626		1,272,221
Total assets less current liabilities			1,269,766		1,323,940
Provisions	16		(236,057)		(195,032)
Total net assets			1,033,709		1,128,908
Represented by:					
Funds and reserves					
Income funds:					
Restricted funds	17		70,638		65,204
Unrestricted funds	18				
. General fund			204,715		207,967
. Designated funds			758,356		855,737
			1,033,709		1,128,908

Approved by the trustees
and signed on their behalf by:

Chris Gillies (chair)
Trustee

Approved on: 23 May 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 2007

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 2007

1 Voluntary income and cost of generating voluntary income analysis

	2007 Total funds £	2006 Total funds £
Income		
Grants	965,000	975,000
Regular donations/collections	1,223,671	911,502
Legacies	130,031	9,305
Mails (warm and cold)	36,638	25,563
Events and merchandise	36,593	19,969
Total voluntary income	2,391,933	1,941,339
Costs of generating voluntary income		
Regular donor acquisition and support	931,289	531,904
Legacies	6,747	4,295
Mailings	20,272	20,471
Events and merchandise	5,674	6,380
Promotional activities	32,582	37,708
Total costs of generating voluntary income	996,564	600,758

2 Grants (all institutional)

	Unrestricted funds £	Restricted funds £	2007 Total funds £	2006 Total funds £
Ajahma Charitable Trust	—	—	—	40,000
Asia Foundation	—	24,494	24,494	26,984
* Big Lottery Fund (note 5)	—	109,355	109,355	67,434
Bread for the world	—	8,340	8,340	10,155
CAFOD	—	140,000	140,000	51,827
Comic Relief	—	600,000	600,000	600,000
Commission for the European Communities (CEC)	—	701,320	701,320	470,301
Cordaid (formerly Mensen in Nood) (Note 6)	—	142,103	142,103	66,207
Department of International Development	950,000	5,365	955,365	950,000
Handicap International	—	—	—	386
IDCS	—	9,781	9,781	—
Kindernothilfe	—	—	—	56,141
Japan League on Intellectual Disabilities	—	698	698	2,078
Lloyds / TSB Foundation	—	—	—	35,000
Manos Unidas	—	—	—	10,279
Manusher Jonno	—	76,162	76,162	104,698
Maximilian Fund	—	—	—	10,000
NETZ	—	20,525	20,525	—
New Field Foundation	—	12,490	12,490	25,770
Small and/or anonymous grants / other grants	15,000	5,025	20,025	16,739
World Vision	—	2,079	2,079	—
Total grants	965,000	1,857,737	2,822,737	2,543,999
Less: Deferred income (note 3)	—	—	—	(12,490)
Total grants receivable	965,000	1,857,737	2,822,737	2,531,509

* Action on Disability and Development acknowledges funding from the Community Fund for our work



3 Movement in deferred income

	At 1 January 2007 £	Movement £	At 31 December 2007 £
New Field Foundation	12,490	(12,490)	—
	12,490	(12,490)	—

4 Big Lottery Grants by contract

	£
Bangladesh Programme Grant (IG/1/010068080)	109,355

5 Cordaid Grants by Country

	2007 £	2006 £
Bangladesh	142,103	66,207

6 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.

	2007 £	2006 £
UKDPC – UK's Disabled People's Council (formerly BCODP – British Council of Disabled Persons)	15,000	5,020
India paid from UK . ADD India	40,967	11,982
Zimbabwe paid form UK . DIS – Development Initiative & Services	—	6,146
Total partner grants paid direct from UK	55,967	23,148

7 Grants and payments to partners from programmes

	2007 £	2006 £
Bangladesh	106,924	87,603
Cambodia	35,181	28,552
Ghana	38,893	49,173
Sudan	58,607	41,247
Tanzania	59,502	23,030
Uganda	111,273	73,440
Francophone West Africa	87,989	86,376
Zambia	98,970	70,276
ADD programmes payments to partners	597,339	459,697
ADD UK total grants to partners	55,967	23,148
Grand total partner grants	653,306	482,845

8 Total resources expended

	ADD Programmes £	Grants payable to partners £	Programme and partner support £	Cost of generating funds £	Governance £	2007 Total £	2006 Total £
Staff costs (note 10)	33,377	—	551,025	164,005	45,784	794,191	630,720
Grant and field operations	1,961,006	653,306	—	—	—	2,614,312	2,427,428
General running and campaign costs	11	—	59,458	832,559	6,195	898,223	516,329
Travel and transport	3,494	—	37,007	—	—	40,501	27,911
Depreciation	48,421	—	10,036	—	—	58,457	54,172
Organisational review	—	—	—	—	62,716	62,716	—
Trustees' costs	—	—	—	—	18,734	18,734	18,852
Audit and banking costs	—	—	—	—	11,020	11,020	10,543
Total resources expended	2,046,309	653,306	657,526	996,564	144,449	4,498,154	3,685,955

Governance expenditure includes the costs of an organisational review commissioned by trustees in order to build on ADD's 22 years of experience and achievements in supporting the disability movements in Africa and Asia and to guide the organisation on how it should best work in the future.

9 Net outgoing resources for the year

This is stated after charging (crediting):

	2007 £	2006 £
Depreciation	58,457	54,172
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses:		
. Costs incurred in attending trustee meetings for 8 (2006 – 8) trustees	3,615	6,391
Auditors' remuneration:		
. Audit	10,609	9,870
. Additional advice	2,908	7,382

10 Staff costs and numbers

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

	2007 £	2006 £
Wages and salaries	503,383	490,728
Social security costs	49,079	44,448
Other pension costs	20,944	23,464
Total emoluments paid to staff based in UK	573,406	558,640
Other staff costs (PHI, training, recruitment)	220,785	72,080
Total staff costs in the UK	794,191	630,720
Total staff and salary costs for field staff based overseas	863,788	869,272

No employee (2006 – none) received total emoluments in excess of £60,000 in the year.

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

	2007 Number	2006 Number
Field staff – overseas based	163	160
Programme support – UK based	10	12
Fundraising – UK based	4	4
Management and administration – UK based	3	3
	180	179

Notes to the accounts 31 December 2007

11 Taxation

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

12 Tangible fixed assets

	Office and computer equipment £	Overseas assets £	Total £
Cost or valuation			
At 1 January 2007	140,307	403,737	544,044
Additions in year	9,836	69,042	78,878
Disposals in year	—	(66,980)	(66,980)
At 31 December 2007	150,143	405,799	555,942
Depreciation			
At 1 January 2007	120,672	371,653	492,325
On disposals	—	(66,980)	(66,980)
Charge for year	10,036	48,421	58,457
At 31 December 2007	130,708	353,094	483,802
Net book values			
At 31 December 2007	19,435	52,705	72,140
At 31 December 2006	19,635	32,084	51,719

With the exception of the overseas assets, all the above tangible fixed assets are used for the UK support and administrative function.

13 Debtors

	2007 £	2006 £
Due within one year		
Other debtors	16,347	6,396
Prepayments	25,459	18,970
Accrued income	282,125	232,671
	323,931	258,037

14 Cash at bank and in hand

	2007 £	2006 £
UK current accounts and cash in hand	92,062	21,207
Foreign accounts	482,340	395,668
UK deposit accounts	469,663	724,090
Travellers cheques	1,062	1,785
	1,045,127	1,142,750

15 Creditors: amounts falling due within one year

	2007 £	2006 £
Payroll taxes	16,755	14,336
Accruals	13,264	67,389
Other creditors	141,413	34,351
Deferred income	—	12,490
	171,432	128,566

16 Provisions

	At 31 December 2006 £	Incoming (charge for year) £	Outgoing (utilised) £	Transfer to programmes £	At 31 December 2007 £
CEC	15,438	—	—	—	15,438
Overseas staff termination	179,594	55,722	(14,697)	—	220,619
	195,032	55,722	(14,697)	—	236,057

17 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 2007 £	Incoming resources £	Resources expended £	Spend financed by(to) des/global £	At 31 December 2007 £
Bangladesh	4,632	669,736	(722,637)	75,391	27,122
Cambodia	—	86,085	(199,259)	113,174	—
Ghana	—	29	(340,837)	340,808	—
Guyana	3,849	—	—	—	3,849
India	26,276	25	(40,967)	40,942	26,276
Sudan	—	259,762	(295,280)	35,518	—
Tanzania	—	166,608	(235,317)	68,709	—
Uganda	—	380,171	(511,261)	131,090	—
West Africa	12,490	15,704	(366,105)	337,911	—
Zambia	—	310,546	(536,876)	226,330	—
Zimbabwe	17,957	(4,566)	—	—	13,391
General	—	10,528	(238,053)	227,525	—
UK partners	—	—	(15,000)	15,000	—
Total restricted funds	65,204	1,894,628	(3,501,592)	1,612,398	70,638

The specific purposes for which the funds are to be applied are as follows:

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 £1,889,194 being the total resources expended on the programmes less the amount met from designated reserves.

Notes to the accounts 31 December 2007

17 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 (2006: £48,082) 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.

18 Unrestricted funds

	At 1 January 2007 £	New designations £	Resources expended £	Applications £	At 31 December 2007 £
<i>Designated funds:</i>					
Fixed assets and computer investments	50,000	9,835	(9,835)	—	50,000
Overseas fixed assets	32,084	69,042	(48,421)	—	52,705
Donor acquisition investment	350,000	450,000	(700,000)	—	100,000
Programme support	318,002	1,714,397	—	(1,612,399)	420,000
Office repairs, renewals and sublet	18,000	—	—	—	18,000
Overseas vehicle replacement provision	75,651	—	—	—	75,651
Employment fund	12,000	30,000	—	—	42,000
<i>Total designated funds</i>	<u>855,737</u>	<u>2,273,274</u>	<u>(758,256)</u>	<u>(1,612,399)</u>	758,356
General fund	207,967	235,053	(238,305)	—	204,715
Total unrestricted funds	<u>1,063,704</u>	<u>2,508,327</u>	<u>(996,561)</u>	<u>(1,612,399)</u>	963,071
Total funds	<u>1,128,908</u>	<u>4,402,955</u>	<u>(4,498,154)</u>	<u>—</u>	1,033,709

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 2007

18 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.

19 Analysis of net assets between funds

	Restricted funds £	Designated funds £	General fund £	Total 2007 £
Fund balances at 31 December 2007 are represented by:				
Tangible fixed assets	—	72,140	—	72,140
Current assets	70,638	686,216	612,204	1,369,058
Current liabilities	—	—	(171,432)	(171,432)
Provisions	—	—	(236,057)	(236,057)
Total net assets	70,638	758,356	204,715	1,033,709

Appendix 1

List of grants over £2000 paid to partners in 2007

Bangladesh

Jatio Trinomul Protibondhi Federation	11,175
Kushtia Jilla Protibondhi Federation-Kompon	3,740
Nondon Natore Zila Protibondhi Federation	3,740
Zila Bondhon Protibondhi Shnagstha	3,740
Torongo Zila Federation	2,992
Joyer Pathe Protibondhi Sangstha	2,554
National Disabled Women Council	2,205

Cambodia

Cambodia Disabled People's Organisation (CDPO)	7,199
Cambodia Disabled People's Development (CDDF)	5,470
Kampong Speu Disabled Women Forum (KSDWF)	4,708
Kong Pisey Disabled People Development Federation (KDDF)	3,693
Peany Disabled People Development Federation (PDDF)	2,903

Ghana

Ghana Federation of the Disabled (GFD) – Accra	13,549
Resource Centre for People with Disability – Tamale	6,634
Resource Centre for People with Disability – Bolga	6,218
Ghana National Association of the Deaf (GNAD) – Accra	4,337
Resource Centre for People with Disability – Wa	3,925

Sudan

Gaderif Union of Disabled	5,139
Wad Medani Union of Deaf	4,403
Sudanese National Union of the Deaf	4,257
Kassala Union of Deaf	3,575
Kassala Union of Blind	3,440
Wad Medani Union of Blind	3,395
Kassala Union of Disabled	3,214
Gaderif Union of Blind	2,860
Wad Medani Union of Disabled	2,777
Nyala Union of the Disabled	2,189
Mayo Union of the Disabled	2,003

Tanzania

(SHIVYAWATA) – National	27,214
Musoma Engineering Project	8,385
(SHIVYAWATA) – Tabora	4,011
(SHIVYAWATA) – Mwanza	4,008
(SHIVYAWATA) - Shinyanga	4,005

Appendix 1

Uganda

Mental Health Uganda – MHU	13,299
Wakiso District Union	5,599
Busia District Union	4,666
Katawi District Union	4,666
Uganda National Association of the Physically Disabled – UNAPD	4,318
Mpigi District Union	4,317
UNAB – one off support for Blind Assns.	4,272
Uganda National Association of the Deaf – UNAD	4,169
NUWODU	3,871
Uganda Parents of Children with Learning Disabilities – UPACLED	3,821
Disabled Women Network Resource Organisation – DWNRO	3,573
Mubende District Union	3,110
Uganda National Association of the Blind - UNAB	2,978
Legal Action for Persons with Disabilities - LAPD	2,382
Busia District Union of Persons with Disabilities	2,304
ATS – Blind But Able - BBA	2,010

Zambia

Fédération Burkinabè pour la Promotion des Associations des Personnes Handicapées (FEBAH)	11,066
Union Nationale des Femmes Handicapées du Burkina (UNAFEHAB)	8,356
Union Malienne des Femmes Handicapées de Bamako	5,280
Fédération Malienne des Associations de Personnes Handicapées de Ségou	4,694
Fédération Régionale des Associations de Personnes Handicapées de Sikasso	4,574
Coordination Provinciale des Organisations de Personnes Handicapées de la Comoé	4,302
Coordination Provinciale des Organisations de Personnes Handicapées du PONI	4,097
Coordination Provinciale des Associations des Personnes Handicapées de la Bourgouriba	3,619
Fédération Régionale des Associations de Personnes Handicapées de Koulikoro	3,263
Coordination Provinciale des Organisations de Personnes Handicapées du IOBA	2,775
Coordination Provinciale des Associations de Personnes Handicapées du Kéné Dougou	2,672
Association Nationale des Déficiants Auditifs du Burkina (ANDAB)	2,552
Fédération Régionale des Associations de Personnes Handicapées de Bamako	2,513
Comite de Coordination des Associations de Personnes Handicapées de Bouaké	2,467
Association pour la Promotion des Femmes Handicapées Union Nationale des Femmes Handicapées du Burkina (APFH)	2,363
Fédération Locale des Associations de Personnes Handicapées de Bougouni	2,327

Zambia

CBIA	29,641
ZAFOD	25,416
ZNAPH (ZNAPD)	12,450
ZANFOB	6,306
ZAPCD	5,456
ZNADWO	5,346
DIF	3,828
ZNAD	3,417
Mazabuka DPO Network	2,577
Kabwe DPO Network	2,566