

CAI  
(CHILD ADVOCACY INTERNATIONAL)  
(A Company Limited by Guarantee)

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
31 OCTOBER 2005

**CAI**  
**(CHILD ADVOCACY INTERNATIONAL)**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**  
**31 OCTOBER 2005**

**Company Number: 3597304**

**Charity Number: 1071486**

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**CAI (CHILD ADVOCACY INTERNATIONAL)****DIRECTORS REPORT FOR THE YEAR ENDED 31 OCTOBER 2005**

The trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31 October 2005.

**REFERENCE AND ADMINISTRATIVE INFORMATION**

Company Number:

3597304

Charity Number:

1071486

**Directors**

D Lock (resigned 19.11.04)

Dr J Bridson (Chairman)

Prof D P Southall

Dr N Shabde

A Sherriff

A M Taylor (resigned 13.03.06)

Prof M S Tanner

Dr J Meran

S D James (appointed 31.08.05)

Dr R Moy (appointed 11.02.06)

**Secretary and Projects Coordinator**

M Szczesny

**Registered Office and Operational Address**

75a London Road  
Newcastle-Under-Lyme  
Staffordshire  
ST5 1ND

**Bankers**

Co-Operative Bank  
31 East Street  
Derby  
DE1 2AL

**Auditors**

Barber Harrison & Platt  
57-59 Saltergate  
Chesterfield  
S40 1UL

## **CAI (CHILD ADVOCACY INTERNATIONAL)**

### **DIRECTORS' REPORT - continued**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The charity is a charitable company limited by guarantee. It is governed by Memorandum and Articles of Association.

##### Risk Management

The directors have introduced a process to assess business risk. This effectively involves identifying the type of risks the charity faces prioritising them in terms of potential impact and the likelihood of occurrence, and identifying means of mitigating the risks.

##### Organisational Structure

The charity is run day to day by the Programme Director along with 4 other members of staff and several volunteers. Any key decisions that have to be made are put up for discussion at the trustees meetings.

##### Appointment of Trustees

In accordance with the Company's Memorandum and Articles, Prof M S Tanner and Dr N Shabde retire by rotation and being eligible, offer themselves for re-election. S D James retires due to being appointed in the year and offers herself for re-election.

The method of appointing directors and trustees is as governed by the memorandum and articles of association.

#### **OBJECTIVES AND ACTIVITIES**

##### Mission Statement

Child Advocacy International (CAI) works to alleviate the suffering of mothers and children in countries where there is extreme poverty, armed conflict or other disaster. With the help of local professionals we deliver hands on maternal and child friendly healthcare, specifically in hospitals but also integrating closely with primary healthcare. We provide training in emergency care for medical and nursing staff using the educational materials we develop. Through advocacy we promote the best interests of children and their mothers.

##### Objectives

CAI was founded in 1995 by a number of leading UK paediatricians to improve healthcare for children worldwide, but with a particular focus on war-torn or otherwise impoverished countries.

CAI complements other agencies by contributing to the development of hospital-based and tertiary care to help the sickest infants and children. Such services are essential to the development of effective healthcare provision accessible to the majority of the population in many poor countries.

We also campaign for the rights of children and families as outlined in International Laws and Conventions in disadvantaged countries and areas of armed conflict with the specific intention of promoting the wellbeing and protection of children.

**CAI (CHILD ADVOCACY INTERNATIONAL)****DIRECTORS' REPORT – continued****ACHIEVEMENTS AND PERFORMANCE****Educational Materials**

The International Manual of Child Health and Pocket Emergency Paediatric Care books published by Blackwells continue to sell well. They received good reviews and are being used in developing countries worldwide, bought at a subsidised cost. They are also available in the developed economies at a market price.

The Advanced Paediatric Life Support (APLS) CD Rom and DVD are also being used worldwide, the CD Rom is published by Blackwells. The CD Rom is purchased as part of a package, by all UK health service staff who take the Paediatric Life Support (PLS) and APLS courses

Work is continuing on producing an Obstetric CD Rom and it is almost complete. The ESS EMCH teaching materials continue further development.

We continue to publish academic articles, which are listed on our website.

**Essential Surgical Skills-Emergency and Maternal & Child Health training (ESS-EMCH)**

Following the development of the educational materials in partnership with the Advanced Life Support Group (ALSG), CAI continued work on the ESS-EMCH programme, providing training for overseas doctors, nurses and other health-workers in emergency maternal and child health care, with the support of the World Health Organisation. The teaching materials included in the course are available free on CD Rom. The income from the sales of the APLS CD Rom has financed the ESS-EMCH Pilot project in Pakistan. The pilot project has proven highly successful and there are plans to extend the programme to other countries as funds allow. (see section on Pakistan for progress).

**Albania**

CAI surveyed iodine deficiency and found that more than 90% of 8-12 year old children living in the southern hills suffer from severe iodine deficiency which leads to a variety of problems including stillbirth, abnormalities in newborn babies and learning problems in children. The results were delivered to the Albanian Government. Studies took place and showed that supplementation to 10 -12 year old children improved their cognitive performance. The results were published in the American Journal of Clinical Nutrition. CAI had lobbying the Albanian Government to seek help in developing their Iodine Deficiency Disease eradication programme. The Albanian Minister of Health has invited the “Network for the sustained elimination of iodine deficiency” to visit and to provide international know how and support to help the Albanian Ministry of Health achieve its aims.

The next project planned is the introduction of the Essential Surgical Skills & Emergency Maternal and Child Healthcare (ESS-EMCH), a programme for healthcare workers in the management of the medical services facing children and pregnant mothers.

**CAI (CHILD ADVOCACY INTERNATIONAL)****DIRECTORS' REPORT – continued****Bosnia and Herzegovina**

Equipment was provided to the casualty department in Sarajevo to raise the standards of child health to those obtaining for adults. It is the headquarters of the ambulance service, and in addition there are clinical facilities for managing acute medical emergencies. There are on call doctors who may go out with ambulances for emergencies or help with inter hospital transfers.

Advanced Paediatric Life Support (APLS) courses were taught to casualty and paediatric staff from a wide variety of Bosnian hospitals and selected candidates were taught on a General Instructor Course (GIC). These Bosnian candidate-instructors were supervised teaching on further APLS courses. Sarajevo is now a recognised APLS teaching centre, and we expect that APLS courses will be an ongoing part of Bosnia paediatric education.

The next planned project proposed is to upgrade the paediatric department in the principal university hospital in Banja Luka, in the Serbian republic division of Bosnia. Agreement has been reached with the head of paediatrics, and a promise of substantial support has been obtained.

Much of the work in Bosnia is funded by Lions Clubs International and we are extremely grateful for their continued help and support.

**Cameroon**

Work continues into supporting Bamenda Government Hospital and assisting the one paediatrician on the children's unit and the paediatric nurses. The breast milk bank is working successfully and nutritional support for malnourished babies was provided. Essential medical equipment and emergency drugs for sick children were supplied to the wards.

CAI nurses and doctor continued to treat children with Burkitt's lymphoma, a malignant condition which particularly affects African children. It is invariably fatal if left untreated, but cure is possible with a chemotherapy regime. 15 children were treated in the year. A new 'rescue' drug protocol was introduced for children who relapse after initial treatment. The programme has excellent results with over 75% of children enjoying remission from the cancer.

A future project is to employ 2 new nurses to work in the maternity department and neonatal nursery. Their role is to try to reduce the transmission of HIV virus from mother to child, by ensuring that mothers are given the appropriate drugs in labour and babies in the newborn period. They will work with the CAI paediatrician to provide counselling and support to infected mothers, and follow up for the babies.

**Djibouti**

Medical equipment and medicines were provided to the main hospital in this tiny and very poor East African country. Many people are so poor that they cannot travel to Peltier hospital in Djibouti town, or pay the entrance fees. A monitoring visit was carried out in September 2005, which involved assessing another intervention which had occurred at the same time as CAI's input. This was a grant from the World Bank which had been used to refurbish the children's department. As a result of both of these interventions, the situation for children admitted to the department had improved dramatically. The newly refurbished wards were clean and well equipped with adequate medication freely available. During the visit, nurses were taught basic neonatal resuscitation using equipment provided by CAI.

The only concern was the introduction of user fees which will act as a deterrent to poorer families. This issue was raised with our colleagues in Djibouti who successfully advocated with the Minister of Health for removal of fees for poor families and continues to advocate for the removal of fees for all children.

As a result of the user fees, something we were not happy about, being introduced our proposal for the next phase in Djibouti involves work outside the hospital with community nurses bringing expertise to children in their own communities.

**CAI (CHILD ADVOCACY INTERNATIONAL)****DIRECTORS' REPORT – continued****Pakistan**

In collaboration with WHO and Advanced Life Support Group (ALSG-UK), CAI has developed a programme of “Essential Surgical Skills with emphasis on Maternal Child Health (ESS-EMCH), for the first response health workers of Pakistan. A faculty of 42 internationally certified senior medical doctors and health professionals, from various teaching institutions, hospitals and health facilities of Pakistan, donated their time to the programme for the cause. The ESS-EMCH Programme has three levels of implementation starting from the tertiary care, district hospital and the first level responders working in the community (ambulance personnel, skilled birth attendants and paramedics). A team of internationally renowned educators designed the curriculum of these structured trainings and local experts (surgeons, anaesthetists, obstetricians and paediatricians) having vast experience in the field of emergency management, modified and adapted it according to Pakistani standards and guidelines. This programme complements the ongoing activities of the Government, and will help to establish the emergency response mechanism in the existing healthcare delivery system.

When the earthquake struck Pakistan on 8<sup>th</sup> October 2005, causing mass destruction, CAI was among the first few organisations to reach the affected areas 2 days later with relief goods and medical services. A medical camp was set up in Jalalabad, near Muzaffarabad city. At the peak of the earthquake, 350 patients a day were being treated by the medical team which consisted of a team of doctors, paramedics, health worker, prosthetist, medical assistant and medical students who worked around the clock to provide emergency health care services to the injured. Our aim is to continue working in the affected area and once the Emergency Phase has been completed, to move on to the Recovery and Rehabilitation phase CAI.

**Sri Lanka**

Following the tsunami in December 2004, CAI immediately began an appeal for funds. We had already carried out medical assessments in the northern area of Sri Lanka in 2003, which had highlighted the poor healthcare available. We delivered vital medical equipment, supplies and drugs to the northern and eastern region of the country and focused on Kilinochichi, Mullitivu and Batticaloa hospitals. Further developments included sending a paediatric nurse and doctor to Batticaloa Hospital for 5 months to provide extensive training to local staff to improve emergency life-saving skills.

CAI supported the Sri Lanka College of Paediatrics in Colombo to provide long-term care for tsunami orphans, through a sponsorship scheme. This also included Drop-in Centres for the children in affected areas, to deliver an all-round service of healthcare and advice.

**CAI (CHILD ADVOCACY INTERNATIONAL)****DIRECTORS' REPORT – continued****Uganda**

The Mobile AIDS Hospice project saw many changes this year. The advent of an American programme, bringing antiretroviral therapy to the children of Kampala, gave us the opportunity to transfer all 280 of our index children to their care, rather than duplicate badly needed services. Our team assisted the Americans with setting up their treatment and adherence monitoring programme, then operated a planned withdrawal from Kampala. This was completed at the end of 2005. From early in the year, it was decided to set up a similar scheme in Kayunga district, approx 70 km from Kampala, where services for AIDS-affected children were so far non-existent. Negotiations were carried out with the local District Director of Health and the Kayunga Hospital, both of whom welcomed CAI and its work. Our second team of four (nurse, social worker, medical assistant and driver) were based in Kayunga and were able to begin a health promotion programme in the district and admit children onto the programme. By the end of the year we had about 80 index children in our care. . Antiretroviral treatment became available, free of charge, for the children and we have great hopes that this will make a huge difference to the outlook for their health. We now call this the 'AIDS Mobile Outreach Scheme' rather than the 'AIDS Mobile Hospice Scheme'.

The 'Rapid Response' neonatal resuscitation scheme continues, and negotiations have begun to aim to transfer it to a Ministry of Health project in the future, probably as a teaching resource.

We continue to provide a 'MotherCare' service to abandoned babies and children at Mulago Hospital, in Kampala and a Play and Learning scheme, which employs a teacher who is also a child psychologist, on the Children's Unit. This helps the recovery of younger children, and ensures that older children can maintain their literacy and numeracy

**Zambia**

During the year, CAI continued their joint programme with the University Teaching Hospital, Lusaka and the School of Medicine - Zambia. The programme commenced in December 2002 and now involves community -based outreach clinics in four of the most deprived districts in Lusaka. The aim of the programme is the prevention of severe malnutrition in young children. Between 20 and 50 children were seen in each of the four weekly outreach clinics. The majority of the children benefited greatly and a recent sample showed that 80% of children, who complete the follow-up, attained their target weight within 8 weeks. The mortality rate is very low and by preventing severe malnutrition, we avoided the need for hospital admission. The programme is identifying children with HIV/AIDS and families can therefore receive counselling and treatment.

Education is a high priority and several workshops have been organised for local healthcare workers, to improve awareness and understanding about malnutrition. We are working towards sustainability. This involves close cooperation with the Lusaka District Health Management Team, who wish to take over long term responsibility for the planning of a community-based prevention of severe malnutrition programme, incorporating this into their urban child health package.

**The Child Friendly Health Care Initiative (CFHI)**

An abridged version of the manual has been completed and discussions with publishers and journals continues. Despite slower progress than anticipated, it has now been accepted by the journal Paediatric Nursing, which is very keen to publish the Manual and Toolkit as a supplement together with supporting editorial and articles. The materials are currently also being formatted for easy web access via the CFHI, CAI and other websites.

Although developmental and promotional activity has been limited during this year, the CFHI continues to attract interest and numerous enquires. Funding proposals for future waves of practical CFHI activity at new sites may be pursued once publication is complete.



**CAI (CHILD ADVOCACY INTERNATIONAL)****DIRECTORS' REPORT – continued****FINANCIAL REVIEW**

The charity has sound financial management systems in place, both in the UK and overseas. The principle sources of funding for projects and core are from Foundations, Grant Making Trusts and individual donations.

At the year end the Charity had total reserves of £189,103 split between unrestricted funds of £23,535 and restricted funds of £165,568.

The balances on the restricted funds are maintained to comply with the donor's requirements whilst ensuring the Charity is in a position to react to any emergency and once a project is started, it is concluded satisfactorily utilising the funds available. Any funds in deficit would therefore be covered by a transfer from general funds.

The Charity invests in fundraising to support the core work of the charity which will ensure the strong current growth of the organisation will continue into the foreseeable future.

**Reserves Policy**

The board of trustees has examined the charity's requirements in light of the main risks to the organisation and has established a policy whereby the unrestricted funds held by the charity which are not committed, should be between 3 and 6 months of expenditure. A detailed budget for 2005/6 has been prepared and approved by the trustees.

**PLANS FOR FUTURE PERIODS**

CAI plans to continue the activities outlined above in the forthcoming years subject to receiving satisfactory funding. New projects for individual countries are listed above. Our aim is to implement the ESS-EMCH programme in many of our target countries and continue to develop teaching aids.

**SUPPORT TO CAI**

We would like to express our sincerest thanks to all our donors for supporting the work of CAI. Our thanks also go out to all the unpaid volunteers who have helped us tremendously this year, especially the paediatricians and nurses who have donated their time to the Charity and who we heavily rely upon to work on the projects.

**CHARITABLE STATUS**

CAI is a registered charity, number 1071486 and enjoys the advantages commensurate with that status.

**CAI (CHILD ADVOCACY INTERNATIONAL)****DIRECTORS' REPORT – continued****STATEMENT OF TRUSTEES' RESPONSIBILITIES**

Company law requires the trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

**AUDITORS**

The auditors, Barber Harrison & Platt have expressed their willingness to continue in office, subject to the approval of members in the general meeting.

The report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies.

Approved by the Board on 13 May 2006 and signed on its behalf by:

**J BRIDSON**  
Chairman

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAI (CHILD ADVOCACY INTERNATIONAL)**

We have audited the financial statements of CAI (Child Advocacy International) on pages 11 to 20 for the year ended 31 October 2005. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein

This report is made solely to the charity'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 auditor's 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 responsibility of the trustees and auditors**

As described in the Statement of Trustees' Responsibilities the trustees (who are also directors of Child Advocacy International for the purposes of company law) are responsible for the preparation of the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

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

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

**INDEPENDENT AUDITORS' REPORT - continued****Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 October 2005 and of its incoming resources and application of resources for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**Barber Harrison & Platt**Chartered Accountants  
**Registered Auditor**

15 May 2006

57-59 Saltergate  
Chesterfield  
Derbyshire  
S40 1UL

**CAI (CHILD ADVOCACY INTERNATIONAL)****STATEMENT OF FINANCIAL ACTIVITIES****FOR THE YEAR ENDED 31 OCTOBER 2005**

	Note	2005		2004 £
		Unrestricted Fund £	Restricted Fund £	
<b>INCOMING RESOURCES</b>				
Incoming resources from generated funds				
- Voluntary income	(2)	<b>38,798</b>	<b>427,385</b>	341,377
- Activities for generating funds	(3)	<b>7,311</b>	-	4,177
- Investment income	(4)	<b>735</b>	<b>351</b>	422
Other incoming resources	(5)	-	<b>364</b>	-
<b>Total incoming resources</b>		<b>46,844</b>	<b>428,100</b>	345,976
<b>RESOURCES EXPENDED</b>				
Costs of generating funds				
- Fundraising trading cost of goods sold and other costs	(6)	<b>31,057</b>	<b>1,755</b>	39,454
Costs of charitable activities	(7)	<b>25,818</b>	<b>343,500</b>	265,981
Governance costs	(8)	<b>12,019</b>	<b>675</b>	10,122
<b>Total resources expended</b>		<b>68,894</b>	<b>345,930</b>	315,557
Net (outgoing)/incoming resources made before transfers		<b>(22,050)</b>	<b>82,170</b>	30,419
Gross transfers between funds		<b>3,934</b>	<b>(3,934)</b>	-
Net (outgoing)/incoming resources		<b>(18,116)</b>	<b>78,236</b>	30,419
Fund balances brought forward at 1 November 2004		<b>41,651</b>	<b>87,332</b>	98,564
<b>Fund balances carried forward at 31 October 2005</b>		<b>23,535</b>	<b>165,568</b>	128,983
<b>Resources used for net acquisitions of fixed assets for charity use</b>		-	<b>8,015</b>	10,778

**CAI (CHILD ADVOCACY INTERNATIONAL)****BALANCE SHEET****AS AT 31 OCTOBER 2005**

	<u>Note</u>	<u>2005</u>		<u>2004</u>
		£	£	£
<b>Fixed assets</b>				
Tangible assets	(11)		<b>20,444</b>	20,892
<b>Current assets</b>				
Debtors	(12)	<b>13,960</b>		42,965
Cash at bank and in hand		<b>167,118</b>		81,003
		<b>181,078</b>		123,968
<b>Creditors: Amounts falling due within one year</b>				
	(13)	<b>(12,419)</b>		(15,877)
<b>Net current assets</b>				
			<b>168,659</b>	108,091
			<b>189,103</b>	128,983
<b>Represented by:</b>				
Funds - Unrestricted			<b>23,535</b>	41,651
- Restricted	(18)		<b>165,568</b>	87,332
			<b>189,103</b>	128,983

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements on pages 11 to 20 were approved by the Board of Directors on 13 May 2006 and are signed on its behalf by:

J BRIDSON  
Chairman

**CAI (CHILD ADVOCACY INTERNATIONAL)****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 OCTOBER 2005****1. Accounting policies****(a) Accounting convention**

The financial statements have been prepared under the historical cost accounting rules and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements have been prepared to comply with the requirements of the Statement of Recommended Practice – Accounting and Reporting by Charities issued in March 2005.

**(b) Tangible fixed assets and depreciation**

Tangible fixed assets are included at cost including any incidental expenses of acquisition.

Depreciation is provided on all tangible fixed assets at the following rates, calculated to write off the cost less estimated residual value over their estimated useful lives.

Motor vehicles	25% reducing balance
Equipment - Unrestricted	20% reducing balance
- Restricted	33% reducing balance

For assets held in foreign countries where the asset is likely to be quickly rendered worthless, their cost is written off in the year of acquisition.

**(c) Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

**(d) Restricted funds**

These comprise of monies donated for specific projects for the assistance of children in desperate situations, who are victims of war, poverty and political upheaval abroad. Any overspending on these funds are covered by transfers from core. Funds that are in deficit at the year end are expected to generate further income in 2005/06 and therefore have not been covered by a transfer from core.

**(e) Pensions**

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS17.

**CAI (CHILD ADVOCACY INTERNATIONAL)****NOTES TO THE FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 OCTOBER 2005****1. Accounting policies - continued****(f) Operating leases**

Rentals applicable to operating leases are charged to the Statement of Financial Activities over the period in which the cost is incurred.

**(g) Gifts in kind**

During the year medical equipment with a value of approximately £76,398 (2004: £13,587) was donated to the charity, together with office running costs of approximately £145 (2004: Nil) and travel costs of approximately £2,287 (2004: £Nil). These are included within donations. The donations are valued by the medical staff and project managers in the relevant countries.

The charity also had the use of a donated vehicle during the period. The donated vehicle is in use in Albania where work is being carried out, but because of its age and condition it is considered to be of negligible value and therefore not shown in the accounts.

**(h) Cost allocation**

All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. staff time.

**(i) Membership**

Membership covers members for one year from date of joining and is treated on a receipts basis.

**2. Voluntary income**

	<u>2005</u>			<u>2004</u>
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>	
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	
	£	£	£	£
Public donations	<b>26,185</b>	<b>222,183</b>	<b>248,368</b>	224,376
Adult group donations	-	<b>35,033</b>	<b>35,033</b>	26,024
Gifts in kind	-	<b>78,830</b>	<b>78,830</b>	13,587
Trusts	<b>1,000</b>	<b>91,339</b>	<b>92,339</b>	44,873
Legacies and bequests	-	-	-	18,920
Membership	<b>8,908</b>	-	<b>8,908</b>	8,644
Recycling	<b>2,705</b>	-	<b>2,705</b>	4,953
	<b>38,798</b>	<b>427,385</b>	<b>466,183</b>	341,377



**CAI (CHILD ADVOCACY INTERNATIONAL)****NOTES TO THE FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 OCTOBER 2005**

	2005			2004
	Unrestricted Fund £	Restricted Fund £	Total £	£
<b>3. Activities for generating funds</b>				
Royalties and product sales	<u>7,311</u>	<u>-</u>	<u>7,311</u>	<u>4,177</u>
<b>4. Investment income</b>				
Bank interest	<u>735</u>	<u>351</u>	<u>1,086</u>	<u>422</u>
<b>5. Other incoming resources</b>				
Profit on disposal of fixed assets	<u>-</u>	<u>364</u>	<u>364</u>	<u>-</u>
<b>6. Fundraising trading cost of goods sold and other costs</b>				
Fundraising costs	9,663	344	10,007	21,450
Direct project support	(4,104)	-	(4,104)	(4,017)
UK office salaries	20,422	-	20,422	17,740
Rent, rates and insurance	1,823	-	1,823	1,190
Light and Heat	61	-	61	60
Telephone	753	142	895	762
Repairs and renewals	476	993	1,469	291
Sundry expenses	276	60	336	311
Printing postage, stationary	829	216	1,045	851
Motor and Travel	723	-	723	646
Depreciation – Equipment	135	-	135	170
	<u>31,057</u>	<u>1,755</u>	<u>32,812</u>	<u>39,454</u>

**CAI (CHILD ADVOCACY INTERNATIONAL)****NOTES TO THE FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 OCTOBER 2005**

	2005			2004
	Unrestricted	Restricted	Total	
	Fund	Fund		
<b>7. Costs of charitable activities</b>				
Medical training, equipment and supplies	-	180,231	180,231	71,735
Project operational costs	454	21,464	21,918	48,768
Project travel costs	-	35,254	35,254	38,216
Overseas medical and project staff	-	58,211	58,211	44,271
Project insurance	-	2,050	2,050	3,013
Product purchases	23	150	173	1,555
Depreciation – motor vehicles	-	5,943	5,943	5,877
Direct project support	(24,975)	32,592	7,617	7,217
UK office salaries	33,827	-	33,827	29,384
Rent, rates and insurance	6,149	-	6,149	4,015
Light and Heat	206	-	206	203
Telephone	2,540	479	3,019	2,569
Repairs and renewals	1,607	3,348	4,955	980
Book keeping and payroll service	236	-	236	223
Sundry expenses	932	204	1,136	1,048
Printing postage, stationary	2,798	729	3,527	2,871
Motor and Travel	1,197	-	1,197	1,070
Bank charges and interest	367	2,845	3,212	2,394
Depreciation – Equipment	457	-	457	572
	<b>25,818</b>	<b>343,500</b>	<b>369,318</b>	<b>265,981</b>
	<b>25,818</b>	<b>343,500</b>	<b>369,318</b>	<b>265,981</b>
<b>8. Governance costs</b>				
Salaries	8,396	-	8,396	7,291
Rent, rates and insurance	813	-	813	531
Light and Heat	27	-	27	27
Telephone	336	63	399	339
Repairs and renewals	212	442	654	130
Audit and accountancy	3,250	-	3,250	2,508
Book keeping and payroll service	236	-	236	223
Sundry expenses	123	27	150	138
Professional fees	335	47	382	15
Printing postage, stationary	370	96	466	379
Motor and Travel	717	-	717	486
Depreciation – Equipment	60	-	60	76
Direct project support	(2,856)	-	(2,856)	(2,021)
	<b>12,019</b>	<b>675</b>	<b>12,694</b>	<b>10,122</b>
	<b>12,019</b>	<b>675</b>	<b>12,694</b>	<b>10,122</b>

**CAI (CHILD ADVOCACY INTERNATIONAL)****NOTES TO THE FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 OCTOBER 2005**

	<u>2005</u> <u>No.</u>	<u>2004</u> <u>No.</u>
<b>9.</b> The average number of employees:	<u>4</u>	<u>4</u>
	<b>£</b>	<b>£</b>
Gross salaries	<b>57,381</b>	49,540
Employers NIC	<b>4,505</b>	3,987
Employers pension contributions	<b>1,143</b>	889
	<u><b>63,029</b></u>	<u>54,416</u>

The above relates to full time UK based, working equivalents allocated accordingly between direct charitable expenditure, fundraising and administration costs.

No remuneration was received by the trustees during the year.

Trustees expenses totalling £420 was paid during the year to a trustee for expenses relating to trustees duties.

There are no employees with emoluments above £50,000 p.a.

During the year 1 of the trustees made a donation of £69,000 to the charity.

**10. Surplus for the year**

The surplus for the year is shown after charging:-

	<u>2005</u> <u>£</u>	<u>2004</u> <u>£</u>
Auditors remuneration - audit fees	<b>3,250</b>	2,509
- other services	<b>824</b>	446
Depreciation	<b>6,596</b>	6,694
Profit on disposal - fixed assets	<b>364</b>	-
	<u><b>10,030</b></u>	<u>9,649</u>

**CAI (CHILD ADVOCACY INTERNATIONAL)****NOTES TO THE FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 OCTOBER 2005****11. Tangible fixed assets**

	<b>Motor Vehicles</b>	<b>Equipment</b>	<b>Total</b>
	£	£	£
<b>Cost</b>			
At 1 November 2004	44,777	20,704	65,481
Additions	8,015	-	8,015
Disposals	(5,905)	-	(5,905)
<b>At 31 October 2005</b>	<b>46,887</b>	<b>20,704</b>	<b>67,591</b>
<b>Depreciation</b>			
At 1 November 2004	27,150	17,437	44,587
Charge for the year	5,943	653	6,596
Disposals	(4,036)	-	(4,036)
<b>As at 31 October 2005</b>	<b>29,057</b>	<b>18,090</b>	<b>47,147</b>
<b>Net Book Value</b>			
<b>As at 31 October 2005</b>	<b>17,830</b>	<b>2,614</b>	<b>20,444</b>
As at 31 October 2004	17,627	3,265	20,892

All motor vehicles relate to restricted funds.

	<b>2005</b>			<b>2004</b>
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	
	<b>Fund</b>	<b>Fund</b>		
<b>12. Debtors</b>	£	£	£	£
Prepayments	1,648	-	1,648	2,214
Other debtors	1,615	10,697	12,312	40,751
	<b>3,263</b>	<b>10,697</b>	<b>13,960</b>	42,965

	<b>2005</b>			<b>2004</b>
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	
	<b>Fund</b>	<b>Fund</b>		
<b>13. Creditors: Amounts falling due within one year</b>	£	£	£	£
Accruals and deferred income	7,769	4,650	12,419	15,877

**NOTES TO THE FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 OCTOBER 2005****14. Pension costs**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £1,143 (2004: £889). There were no outstanding contributions at the year end.

**15. Share capital**

The company is limited by guarantee, every member of the company undertaking to contribute a maximum of £10 to the company's assets should it be wound up while he is a member or within one year after he ceased to be a member.

	<b>2005</b>			<u>2004</u> £
	<u>Fund</u> £	<u>Fund</u> £	<u>Total</u> £	
<b>16. Analysis of net assets between funds</b>				
Fixed assets	2,614	17,830	20,444	20,892
Current assets	28,690	152,388	181,078	123,968
Current liabilities	(7,769)	(4,650)	(12,419)	(15,877)
	<u>23,535</u>	<u>165,568</u>	<u>189,103</u>	<u>128,983</u>

**17. Capital commitments**

Capital expenditure contracted for but not provided in the accounts amounted to £Nil (2004: £Nil).

**CAI (CHILD ADVOCACY INTERNATIONAL)****NOTES TO THE FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 OCTOBER 2005****18. Restricted funds**

	<b>Opening Funds</b>	<b>Movement in Resources</b>			<b>Total</b>
	<b>£</b>	<b>Incoming £</b>	<b>Outgoing £</b>	<b>Transfers £</b>	<b>£</b>
Albania	1,721	14,137	(11,826)	-	4,032
Bosnia	2,868	89,254	(90,733)	-	1,389
Burma	(184)	278	(212)	-	(118)
Cameroon	1,798	10,461	(8,212)	-	4,047
EMCH*	17,438	44,697	(1,439)	(60,696)	-
Ethiopia	501	-	-	-	501
India	23,362	351	(22,852)	-	861
Pakistan	(15,471)	20,814	(62,890)	57,762	215
Sri Lanka	-	41,525	(35,016)	-	6,509
Uganda	11,522	91,886	(79,618)	-	23,790
Djibouti	-	21,565	(9,762)	-	11,803
Zambia	38,704	4,635	(20,493)	-	22,846
Project Reserve	-	88,362	-	(1,000)	87,362
CAI Product Development	3,525	-	(1,818)	-	1,707
Child Friendly Healthcare Initiative	1,548	135	(1,059)	-	624
	<u>87,332</u>	<u>428,100</u>	<u>(345,930)</u>	<u>(3,934)</u>	<u>165,568</u>

\* EMCH = Emergency Maternal Child Healthcare

**19. Transfers between funds**

Amount agreed by Emergency Maternal Child Healthcare to be used for core purposes	<b>3,000</b>
Amount transferred to core from project reserve	<b>1,000</b>
Overspending on restricted funds covered by transfer from core	<b>(66)</b>
	<u><b>3,934</b></u>