

SANDY GALL'S AFGHANISTAN APPEAL

CHARITY REGISTERED NUMBER: 294581



ACCOUNTS

FOR THE YEAR ENDED

31ST MARCH 2006

SANDY GALL'S AFGHANISTAN APPEAL

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Cover : It was Malik's first day at work in a bakery near Kabul. He was the only member of the family with a job. When he went outside to the field he stepped on a mine, seriously injuring a leg. As he struggled to escape he trod on another mine, losing his other leg. Using a scarf as a rope, two men managed to pull him to safety. Here he is talking to physiotherapists and consultant Fiona Gall. Malik has had prostheses fitted for both legs which he is learning to use and a wheelchair. Since this photo was taken he has gone back to school.

Photo: Scott Eells

SANDY GALL'S AFGHANISTAN APPEAL

TRUSTEES' REPORT

The Trustees have pleasures in presenting their Report and Accounts for the year ended 31st March 2006. SGAA's activities over this period were financed principally by its own efforts and those of the second group of sturdy walkers in fund-raising. The views expressed in the Report are those of the Trustees. The presentation of our Report is in accordance with guidance of SORP 2005.

1. **Objectives of the Charity:**

- * To treat the disabled people of Afghanistan by the provision of prostheses, orthoses and physiotherapy care;
- * To train students in these professions to carry out the work themselves;
- * To prevent further disability and promote better referral in the local community by providing health education and disability awareness information;
- * To upgrade the skills of the technicians already trained with further education and to provide administrative training and management courses for senior staff.

2. **Structure:** SGAA is governed by a Declaration of Trust dated 12th February 1986 and is run by a voluntary committee and consultants in the UK, including a former diplomat, a former member of Parliament, a professional orthotist, a senior physiotherapist, a midwife and two orthopaedic surgeons. Eleanor Gall is the UK Director and Sandy Gall is Chairman. The consultants make regular visits to SGAA centres and outreach clinics, evaluating progress, giving seminars to include members of colleague NGOs and supervising technicians with more difficult cases. In Afghanistan the project is managed by Afghan staff and monitored by a resident expatriate consultant.

Very sadly Mrs Paddie Chanmugam, our senior physiotherapist, who came to work for SGAA during the Gulf War because she could not return to her post in Kuwait University, died in April 2005. Most of the structure of SGAA's physiotherapy programmes is due to Paddie's insistence on the necessity of top class training and her boundless energy in bringing it all to fruition. Her wonderful wide smile included all who worked with her and for her. It seemed that no disabled child, however distant from our centre, would be allowed to lie neglected when Paddie's team of health workers went into action. Even the dreaded Taleban director of Jalalabad Hospital, Sher Ali, was struck dumb and neglected to use his spittoon in her presence, as she laid out her plans for the three provinces that came within his area. (He subsequently called Paddie Queen of Nangarhar). The pitiable state of children with cerebral palsy (CP) particularly struck her and so she carried out a survey published in 2001, which was widely appreciated. Mrs Chanmugam is and will be greatly missed by us all.

Trustees are selected by their professional expertise, which enables them to play an active role in the supervision and monitoring of the charitable and other activities of the Charity. All Trustees are provided with an induction by the UK Director.

3. **Relationships and Future Plans:** During 2005, SGAA's Trustees and Committee made the decision to hand over the bulk of its activities in Afghanistan to another charity working for the disabled in Afghanistan. The Swedish Committee for Afghanistan (SCA) has its headquarters in Stockholm and has been running programmes in Afghanistan since 1982 in various sectors including health, education and disability. After several months of discussions a Memorandum of Understanding was signed by the two organisations in December 2005, which gave Swedish Committee the responsibility of managing SGAA's project activities in Jalalabad and the Eastern region of Afghanistan from 01 January 2006 onwards.

SANDY GALL'S AFGHANISTAN APPEAL

TRUSTEES' REPORT (Continued)

3. Relationships and Future Plans (Continued)

For the 12 months until the end of December 2006 the project will be run with funds provided by SGAA. Subsequently from 01 January 2007, SCA will be responsible for fund-raising for all the activities in the Eastern region. SGAA will continue to provide technical assistance through its Committee and consultants and some minor donations. SGAA's activities in Kabul were scaled back at the end of 2005: the mother and child clinic in Khair Khana was closed in December 2005 and the staff found jobs elsewhere. Otherwise, only a minimum number of local staff were kept on.

The decision to reduce its work in Afghanistan was undertaken by SGAA's Trustees and Committee on the basis that the charity had been going for over 20 years, fund-raising was increasingly difficult, and it was time to hand over the projects to other partners in the field until the Ministry of Public Health can run disability services.

4. **Achievements and Performance:** The security situation in Afghanistan has deteriorated during 2005 and 2006, despite successful parliamentary elections in October 2005 and continued international support for development and reconstruction. The south of Afghanistan has seen most fighting between the Taleban and the government, which has limited control of the country outside the main cities. Unfortunately the Taleban considers not only government personnel such as the army and police as legitimate targets but also attacks civilians including school teachers and NGO workers. This has meant that many parts of the South are now too dangerous for international and national NGO staff to work in. In eastern Afghanistan there are some areas which are also difficult, viz. Kunar Province, north-east of Jalalabad, and Khogiani district, south-west of Jalalabad.

SGAA has been relatively unaffected by these operational difficulties as its activities are largely based in hospitals and clinics which are not normally targets. Disabled and non-disabled patients continue to come from near and far for treatment. Operational costs during this period continued to rise, especially the costs of fuel for transport and for our generators to make electricity. Power in Jalalabad is inadequate for the city and is provided for only 4-6 hours a day in the winter and in the summer every second day.

The main achievements of the projects this year:

- * continued high quality of services in orthotics, prosthetics, physiotherapy and health education,
- * the completion of the first year of a two-year physiotherapy course for 12 students in July 2005;
- * the introduction of a new method for treating club foot in October 2005 known as Ponseti, which reduces the amount of surgery needed to correct the disability and provides the patient with a better long term result,
- * the negotiation and handover of the projects in eastern Afghanistan in January 2006 to a reputable and experienced international charity which will ensure their continuation.

Patient figures have been maintained throughout this period despite the absence of various technical staff on upgrading courses in 2005. The three main categories of patients are amputees, post-polio sufferers and club foot patients. A table of the beneficiary groups assisted during the year follows:

SANDY GALL'S AFGHANISTAN APPEAL**TRUSTEES' REPORT (Continued)****4. Achievements and Performance (Continued)**

	2004		2005	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
1. Patients provided with prostheses and orthoses	1,338	470	1,384	396
2. Patients given physiotherapy treatment	6,344	5,145	6,600	5,210
3. Patients provided with mobility aids and wheelchairs	2,089	1,393	1,828	1,360
4. Beneficiaries of health education sessions	51,085	39,945	64,558	38,700
Total	107,809		120,036	

Physiotherapy services are important for physical rehabilitation of the disabled and non-disabled. Although physiotherapists may not actually be able to “cure” the patient, they can help him or her to achieve a better quality of life and reduce the possibility of further disabilities or complications through recommending exercises, diet and mobility aids. Even where little can be done for the most severely disabled children, the physiotherapist can give advice and psychological support to the family in a society where there are no social workers nor institutions for the disabled.

In order to achieve independence of the disabled through physical mobility the project has continued to improve and adapt in order to provide suitable, good quality appliances and mobility aids for the beneficiaries. SGAA’s technical consultants continued to visit the project during this year to review production and treatment standards. In November 2005 a new consultant, Dr Philip Henman, joined the SGAA team of to introduce the Ponseti method to SGAA’s physiotherapists and technicians in Jalalabad. He also provided a short training for SGAA’s physiotherapists in Kabul in Khairkhana and at SGAA’s sister organisation, Kabul Orthopaedic Organisation (KOO), where SGAA continues to provide technical assistance. The results of this method of dealing with club foot have already proved to be extremely effective and SGAA intends to roll out this method to its partner organisation SCA in 2006.

On a national level SGAA continued to be involved in discussions on integration of disability services with the Ministry of Public Health services and government recognition of rehabilitation staff trained by NGOs.

5. Finance Review

?? **General:** Income from Grants and fundraising amounted to £509,497 whilst expenditure was £567,695 resulting in a deficit of £58,198 for the year ended 31st March 2006. Net funds at the 31st March 2006 were £210,173. This was entirely in line with the cash flow forecast reviewed by the Trustees during the year. It is anticipated that the funds of £210,173 will be reduced to a minimum by the end of 2006 as responsibility for the work has been transferred to the NGO – the Swedish Committee for Afghanistan as outlined in paragraph 3 above. The Trustees consider the financial position of the charity to be satisfactory.

?? **Reserves:** SGAA’s rehabilitation programme is supported by a number of donor agencies. There is therefore a close correlation between income and expenditure. The twin disciplines of fundraising and low administrative costs enable it to operate with minimum cash reserves.

SANDY GALL'S AFGHANISTAN APPEAL

TRUSTEES' REPORT (CONTINUED)

5. **Finance Review (Continued)**

?? **Investment Policy:** all monies are kept in CAF Bank Gold accounts which produce good Interest rates.

6. **Risk Review:** the committee, Field Director and senior Afghan staff regularly assess the security situation in the areas of Afghanistan where SGAA operates. Most members of the committee visit the field to monitor the running of the organization, the professional standards of staff, treatment of patients and the general political situation. The committee meets every six weeks or so to discuss reports from the field including advice from the resident consultant in Kabul and take any necessary action.

7. **Fundraising :** Interest in and donations to SGAA often start with people seeing our website, www.sandygallsafghanistanappeal.org.

In September 2005 another Panjsher Walk took place. This time the sturdy walkers numbered 20 and were escorted by five members of the Gall/Bonhoure family, with their welfare being entrusted to the capable hands of Dr Philippe Bonhoure. Their achievements were a resounding success. Not only did they match the previous high results of the 2003 expedition, but they walked half way up the Darra side valley and climbed the Khawak Pass before tackling the Anjuman Pass (13,000 feet). What energy and enthusiasm, especially as some of them were city dwellers and sailors and not reckoned to be capable of tramping the unforgiving heights of the stony Hindu Kush. We are humbly grateful to them all.

The same excellent team of Afghan helpers were there, with one exception. Gul Zaman, a senior physiotherapist, did a great job as a translator during the 2003 walk, but in 2004 he left SGAA to work for a US contractor in Badakshan. Tragically both he and the driver were killed when their vehicle was hit by a roadside bomb. He left a wife and four children. So the team consisted of Najibullah to translate, Farid and Usman to drive, Rasul and Shireen from the Panjsher to dig and dismantle the long-drop loos each night, and the team of cooks and bottle washers to provide nourishment only this time not quite up to standard as Jan Mohammed was absent and his understudy was a bit mean with provisions. Best of all was our expert guide, Haji Sufat Mir. To all our Afghan friends and helpers, we give many thanks for making the expedition such a success.

SGAA would also like to extend sincere thanks to all kind donors who give so generously this year to our Appeal including UNDP's National Programme for the Disabled (US\$465,000), The Nyon Ladies Rotary Club, Adopt a Minefield, The Alastair & Rosemary Leslie Charity, The Dingwall Trust and The Saints and Sinners.

To these and many more we are truly grateful.

SANDY GALL'S AFGHANISTAN APPEAL

TRUSTEES' REPORT (CONTINUED)

REFERENCE AND ADMINISTRATIVE DETAILS

Charitable Status

The Sandy Gall Afghanistan Appeal Charitable Trust is a registered Charity - Registration Number 294581.

Trustees and Management Committee

The following were Trustees and members of the Management Committee :

Mr. Winston Churchill, ex-MP
Mr. John Fixsen FRCS, Paediatric Orthopaedic Surgeon
Mrs. Eleanor Gall
Mr. Sandy Gall, CBE (Chairman)
Mrs Jeanne Hartley, Physiotherapist
Mr. John Lamb MBE, Principal Orthotist, Perth Royal Infirmary
Mr. Mark Scrase-Dickins CMG, DL, ex-diplomat
Mrs. Diane Steer, Midwife
Mr. Peter Stiles FRCS, Orthopaedic Surgeon

Principal Office

The Appeal's offices are:

Doubleton Oast House, Penshurst, Tonbridge, Kent, TN11 8JA.	and	P.O. Box 145 Tonbridge, Kent, TN11 8SA.
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Bankers

Donations to the Appeal would be welcomed both by post at the above address or at any branch of the HSBC Bank to the Appeal's Account No. 00003292 with CAF Bank Ltd., West Malling, Kent.

Solicitors

Kerman & Co LLP,
7 Savoy Court,
Strand,
London, WC2R OER

Auditors

UK - Messrs. Knox Cropper,
Chartered Accountants,
Registered Auditors,
16 New Bridge Street,
London, EC4V 6AX.

Afghanistan - Rifaqat Babar
Chartered Accountants,
Shahrah-e-Naw
Kabul
Afghanistan

SANDY GALL'S AFGHANISTAN APPEAL

TRUSTEES' REPORT (CONTINUED)

TRUSTEES' RESPONSIBILITIES

Trustees are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of Sandy Gall's Afghanistan Appeal and of its income and expenditure for that period. In preparing those financial statements, 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that Sandy Gall's Afghanistan Appeal will continue to operate.

Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of Sandy Gall's Afghanistan Appeal and to enable them to ensure that the financial statements comply with the Charities Act.

The Trustees are also responsible for safeguarding the assets of the organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BY ORDER OF THE TRUSTEES

ELEANOR GALL

Trustee

13th December 2006

REPORT OF THE INDEPENDENT AUDITORS
TO THE TRUSTEES OF
SANDY GALL'S AFGHANISTAN APPEAL

We have audited the financial statements of Sandy Gall's Afghanistan Appeal the year ended 31st March 2006 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention, and the accounting policies set out therein.

This report is made solely to the Trustees, as a body, in accordance with Section 43 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the Trustees 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 Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

The Trustee's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustee's Responsibilities.

We have been appointed as auditors under Section 43 of the Charities Act 1993 and report in accordance with regulations made under Section 44 of that Act.

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 Charities Act 1993. We also report to you if, in our opinion, the Report of the Trustee's is not consistent with the financial statements, if Sandy Gall's Afghanistan Appeal 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 Charity is not disclosed.

We read other information contained in the Financial Statements, and consider whether it is consistent with the audited financial statements. The other information comprises only the Report of the Trustees. 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 Charity'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 as to whether the Financial Statements are free from material mis-statement, 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 state of the Charity's affairs as at 31st March 2006 and of its incoming and outgoing resources for the year then ended and have been properly prepared in accordance with the Charities Act 1993.

16 New Bridge Street,
London, EC4V 6AX

Chartered Accountants
Registered Auditor

13th December 2006

SANDY GALL'S AFGHANISTAN APPEAL
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MARCH 2006

	Notes	-----2006-----			2005 Total (As Restated Note 19) £
		Unrestricted £	Restricted £	Total £	
INCOMING RESOURCES					
Incoming Resources from Generated Funds					
Voluntary Income	3	63,347	251,401	314,748	270,859
Activities for Generating Funds	4	168,610	-	168,610	14,480
Investment Income		8,212	-	8,212	8,244
Incoming Resources from Charitable Activities					
Income in Afghanistan	5	14,766	-	14,766	12,289
Profit on Sale of Assets		3,161	-	3,161	-
TOTAL INCOMING RESOURCES		<u>258,096</u>	<u>251,401</u>	<u>509,497</u>	<u>305,872</u>
RESOURCES EXPENDED					
Costs of Generating Funds					
Cost of Generating Voluntary Income		(6,424)	-	(6,424)	(12,667)
Cost of Fundraising Trading		(19,759)	-	(19,759)	-
		<u>(26,183)</u>	<u>-</u>	<u>(26,183)</u>	<u>(12,667)</u>
Charitable Activities	6	(244,535)	(289,597)	(534,132)	(420,721)
Governance Costs	7	<u>(7,380)</u>	<u>-</u>	<u>(7,380)</u>	<u>(5,466)</u>
TOTAL RESOURCES EXPENDED		<u>(278,098)</u>	<u>(289,597)</u>	<u>(567,695)</u>	<u>(438,854)</u>
NET OUTGOING RESOURCES AND NET MOVEMENT IN FUNDS FOR THE YEAR					
		(20,002)	(38,196)	(58,198)	(132,982)
Balance at 1 st April 2005 as originally stated					
		208,325	38,196	246,521	401,353
Prior Year adjustment (Note 18)					
		21,850	-	21,850	-
Balance at 1 st April 2005 as restated					
12, 13		<u>230,175</u>	<u>38,196</u>	<u>268,371</u>	<u>401,353</u>
Balance at 31st March 2006	12, 13	<u>£210,173</u>	<u>£ -</u>	<u>£210,173</u>	<u>£268,371</u>

During the course of the year the Charity transferred its operations in Afghanistan to the Swedish Committee for Afghanistan. The Charity will now have minimal operations in Afghanistan, although it will for the time being continue to fund-raise for the work carried out by the Swedish Committee for Afghanistan.

All recognised gains and losses are reflected through the Statement of Financial Activities, and therefore no separate Statement of Total Recognised Gains and Losses is disclosed.

SANDY GALL'S AFGHANISTAN APPEAL**BALANCE SHEET****AS AT 31ST MARCH 2006**

	Notes	2006		2005 (As Restated Note 18)	
		£	£	£	£
FIXED ASSETS	8		5,476		59,861
CURRENT ASSETS					
Debtors	9	24,511		15,470	
Cash at Bank	10	183,804		207,610	
		<u>208,315</u>		<u>223,080</u>	
CREDITORS : Amount falling due within one Year	11	<u>(3,618)</u>		<u>(14,570)</u>	
NET CURRENT ASSETS			204,697		208,510
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>£210,173</u>		<u>£268,371</u>
UNRESTRICTED FUNDS	12				
General			200,686		167,668
Designated			9,487		62,507
			<u>210,173</u>		<u>230,175</u>
RESTRICTED FUNDS	13		-		38,196
			<u>£210,173</u>		<u>£268,371</u>

These accounts were approved by the Board of Trustees on 13th December 2006 and signed on its behalf by:

Trustee

Trustee

SANDY GALL'S AFGHANISTAN APPEAL

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2006

1. CONSTITUTION

The Sandy Gall Afghanistan Appeal Charitable Trust was constituted on 12th February 1986 by Declaration of Trust.

The Trust is a Registered Charity - Registration Number 294581.

2. ACCOUNTING POLICIES

- (a) The accounts are prepared under the historical cost convention, in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" issued by the Charity Commission in March 2005 and in accordance with relevant accounting standards, except where indicated below.
- (b) Donations are accounted for as received. Donations in kind are credited at open market value on the date of receipt. Grants which relate to specific periods are accounted for on an accruals basis. All other grants are accounted for on a received basis.
- (c) Interest is credited when received.
- (d) The Charity does not account for stocks held at the projects in Afghanistan.
- (e) Depreciation is calculated to write off the cost of fixed assets on a straight line basis over the expected useful lives of the assets concerned. Motor Vehicles are estimated to have useful lives of three years whilst computer equipment has an useful life of five years and manufacturing, medical and other equipment have useful lives of ten years.

The Charity in 1997 built a centre in Jalalabad, Afghanistan for use as a training centre for physiotherapy students. The uncertain political situation in Afghanistan makes it impossible to estimate a useful economic life for this building and in accordance with the concept of prudence the costs of the building were fully depreciated in the year in which they were incurred. This asset has now been transferred to the Swedish Committee for Afghanistan.

- (f) All foreign currency transactions are translated at the field closing rates of exchange with all gains (losses) on exchange being credited/(debited) to the income and expenditure account. The rate used for transactions were 85.453 Afghanis to the pound Sterling (2005: 93.28).
- (g) The Charity's Unrestricted Reserves consist of general reserves which the Charity may use for its purposes at its discretion and these include reserves which have been designated by the Trustees to meet future commitments.
- (h) Restricted Funds are those funds, which may only be applied to purposes specified by the donor.

SANDY GALL'S AFGHANISTAN APPEAL**NOTES TO THE ACCOUNTS (CONTINUED)****FOR THE YEAR ENDED 31ST MARCH 2006****2. ACCOUNTING POLICIES (Continued)**

- (i) Expenditure incurred in Afghanistan is allocated to Direct Project Costs and Project Support Costs, whilst UK costs apart from consultant and field costs are treated as Administration costs.

Afghanistan costs are allocated in line with management accounts produced by the field staff.

At the 31st December 2005, certain assets were transferred to the Swedish Committee for Afghanistan and certain other assets to the Jamhuriat Hospital. The amounts of the assets are set out in Notes

These organisations will oversee the day to day operations previously carried out directly by the Charity. The Charity will continue to fundraise for these activities for the time being, and provide grants to the Swedish Committee for Afghanistan.

- (j) The accounts comply with Financial Reporting Standard 1. The Charity has taken advantage of the exemption available under this standard and not produced a Cash Flow Statement.

3. VOLUNTARY INCOME

	----- 2006 -----			
	Un- restricted	Restricted	Total	2005 Total
	£	£	£	£
Legacies	-	-	-	10,000
DONATIONS				
- Wyfold Foundation	10,000	-	10,000	-
- Other	43,347	-	43,347	41,373
	53,347	-	53,347	41,373
GRANTS				
- UNDP	-	251,401	251,401	-
- Community Fund	-	-	-	87,210
- European Union Fund	-	-	-	18,866
- Equipment for Independent Living	-	-	-	2,000
- Ashram Trust	-	-	-	15,650
- Rausing Trust	10,000	-	10,000	25,000
- Lord Michelham Foundation	-	-	-	25,636
- United Nations – Adopt a Minefield	-	-	-	25,483
	10,000	251,401	261,401	199,845
Grants in Kind	-	-	-	19,641
	<u>£63,347</u>	<u>£251,401</u>	<u>£314,748</u>	<u>£270,859</u>

4. ACTIVITIES FOR GENERATING FUNDS**FUNDRAISING ACTIVITIES**

- Panjsher Valley Walk	160,742	-	160,742	5,150
- Royal Geographical Society Lecture	-	-	-	8,228
- Calendars	3,393	-	3,393	1,102
- Golf Day	4,475	-	4,475	-
	<u>£168,610</u>	<u>£ -</u>	<u>£168,610</u>	<u>£ 14,480</u>

SANDY GALL'S AFGHANISTAN APPEAL
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31ST MARCH 2005

5. **INCOME IN AFGHANISTAN**

	----- 2006 -----			2005 Total
	Un- restricted	Restricted	Total	
	£	£	£	£
Patient Registration	4,535	-	4,535	2,672
Component Workshop	10,231	-	10,231	9,617
	<u>£ 14,766</u>	<u>£ -</u>	<u>£ 14,766</u>	<u>£ 12,289</u>

6. **CHARITABLE EXPENDITURE**

	----- 2006 -----			2005 As Restated
	Activities Undertaken Directly	Support Costs	Total	
	£	£	£	£
Field Salaries and Related Cost	186,799	27,000	213,799	180,820
Grant to Swedish Committee	61,000	-	61,000	-
Monitoring and Evaluation	-	8,705	8,705	9,152
Equipment and Supplies	66,525	-	66,525	80,825
Field Accommodation and Vehicle Running Costs	44,947	-	44,947	50,909
Building Repairs	3,356	-	3,356	15,553
Other Services and Supplies	8,572	-	8,572	5,532
Training and Course Fees	15,698	-	15,698	11,948
Disabled Loans	3,862	-	3,862	584
Patient Costs	3,079	-	3,079	5,991
Depreciation (Note 2(e))	8,270	4,135	12,405	17,894
Public Awareness	-	18,289	18,289	1,570
(Gains)/Loss on Exchange (Note 2(f))	-	(10,831)	(10,831)	24,822
Office Accommodation	-	2,400	2,400	2,400
Administrative Support	-	10,100	10,100	10,112
Telephone/Internet	-	2,239	2,239	1,679
Printing, Postage and Stationery	-	1,135	1,135	461
Bank and Current Translation Charges	-	734	734	469
	<u>402,108</u>	<u>63,906</u>	<u>466,014</u>	<u>420,721</u>
Transfer to Swedish Committee (Note 16)	65,954	-	65,954	-
Transfer to Jamhuriat Hospital (Note 17)	2,164	-	2,164	-
	<u>£470,226</u>	<u>£63,906</u>	<u>£534,132</u>	<u>£420,721</u>

SANDY GALL'S AFGHANISTAN APPEAL
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31ST MARCH 2006

6. CHARITABLE EXPENDITURE (Continued)

Expenditure incurred in Afghanistan is allocated to Activities Undertaken Directly and Support Costs, whilst UK costs are treated as Support costs, with the allocation of costs in Afghanistan being based on accounts used for resource management purposes.

The Afghanistan operations were transferred to the Swedish Committee for Afghanistan at 31st December 2005.

Restricted Fund Expenditure of £289,597 (2005: £197,851) disclosed on the Statement of Financial Activities is reflected within Charitable Expenditure.

7. GOVERNANCE COSTS

	2006	2005
	£	£
Audit Fees	3,474	3,387
Trustees Expenses		
- Travel	2,768	823
- Other	1,138	1,256
	<u>£ 7,380</u>	<u>£ 5,466</u>

There are no payments to trustees beyond the reimbursement of travel expenses actually incurred in attending Trustee meetings, monitoring the projects on the ground in Afghanistan and providing office facilities at the Appeal's registered office.

Expenses incurred in the UK are disclosed above. Expenses incurred in Afghanistan form a small proportion of the monitoring and evaluation expenses disclosed under project support costs and included in Governance Costs are field auditor costs of £1,053 (2004: £987) and UK Audit Fees amounting to £2,421 (2005 : £2,420).

SANDY GALL'S AFGHANISTAN APPEAL**NOTES TO THE ACCOUNTS (CONTINUED)****FOR THE YEAR ENDED 31ST MARCH 2006****8. FIXED ASSETS**

	Buildings	Computer Equip- ment	Manufact- uring Medical & Other Equipment	Motor Vehicles	Total
	£	£	£	£	£
At Cost:					
Brought Forward at 1 st April 2005	30,339	5,826	103,024	56,514	195,703
Prior Year Adjustment (Note 18)	-	753	14,405	5,643	20,801
Brought Forward at 1 st April 2005 (As Restated)	30,339	6,579	117,429	62,157	216,504
Additions	4,279	-	1,775	-	6,054
Disposals	-	(961)	(1,287)	(3,681)	(5,929)
Transfer to Swedish Committee for Afghanistan	(34,618)	(2,984)	(110,603)	(53,609)	(201,814)
Transfer to Jamhuriat Hospital	-	-	(3,340)	-	(3,340)
Carried Forward at 31 st March 2006	£ -	£ 2,634	£ 3,974	£ 4,867	£ 11,475
Accumulated Depreciation:					
Brought Forward at 1 st April 2005	30,339	3,817	63,725	46,627	144,508
Prior Year Adjustment (Note 18)	-	302	6,190	5,643	12,135
Brought Forward at 1 st April 2005 (As Restated)	30,339	4,119	69,915	52,270	156,643
Charge for the Year	4,279	465	4,805	2,856	12,405
Disposals	-	(824)	(53)	(2,448)	(3,325)
Transfer to Swedish Committee for Afghanistan	(34,618)	(1,502)	(72,443)	(49,985)	(158,548)
Transfer to Jamhuriat Hospital	-	-	(1,176)	-	(1,176)
Carried Forward at 31 st March 2006	£ -	£ 2,258	£ 1,048	£ 2,693	£ 5,999
Net Book Value Carried Forward	£ -	£ 376	£ 2,926	£ 2,174	£ 5,476
Net Book Value Brought Forward	£ -	£ 2,460	£47,514	£ 9,887	£59,861

During the course of the year, Fixed Assets were transferred to the Swedish Committee for Afghanistan and Jamhuriat Hospital, as part of the transfer of operations in Afghanistan.

SANDY GALL'S AFGHANISTAN APPEAL
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31ST MARCH 2006

9. **DEBTORS**

	2006	2005 (As Restated Note 18)
	£	£
Grants	24,511	-
Disabled Loans	-	584
Amounts due from Koo	-	12,600
Prepayments	-	2,286
	<u>£ 24,511</u>	<u>£ 15,470</u>

10. **CASH AT BANK AND IN HAND**

	2006	2005
	£	£
UK	174,234	178,625
Afghanistan/ Pakistan	<u>9,570</u>	<u>28,985</u>
	<u>£183,804</u>	<u>£207,610</u>

11. **CREDITORS**

Accruals	2,421	11,941
Other Creditors	<u>1,197</u>	<u>2,629</u>
	<u>£ 3,618</u>	<u>£ 14,570</u>

12. **UNRESTRICTED FUNDS**

	At 1/4/05 As Restated	Income	Expend- iture	At 31/ 3/06
	£	£	£	£
General Fund	167,668	256,116	(223,098)	200,686
Designated Fund - The Oliver Forster Memorial Fund	<u>62,507</u>	<u>1,980</u>	<u>(55,000)</u>	<u>9,487</u>
	<u>£230,175</u>	<u>£258,096</u>	<u>£(278,098)</u>	<u>£210,173</u>

The Oliver Forster Memorial Fund is a designated fund set aside by the Trustees as a contingency fund for payments to staff on the restructuring of the Charity. In the current year £55,000 was used as payments to staff in Afghanistan.

SANDY GALL'S AFGHANISTAN APPEAL**NOTES TO THE ACCOUNTS (CONTINUED)****FOR THE YEAR ENDED 31ST MARCH 2006****13. RESTRICTED FUNDS**

	At 1/ 4/05	Income (Note 3)	Expenditure	At 31/ 3/06
	£	£	£	£
Lord Michelham Foundation	8,723	-	(8,723)	-
United Nations – Adopt a Minefield	25,483	-	(25,483)	-
UNDP	-	251,401	(251,401)	-
Ashram Trust	3,990	-	(3,990)	-
	<u>£ 38,196</u>	<u>£251,401</u>	<u>£(289,597)</u>	<u>£ -</u>

Lord Michaelham Foundation

The grant is for three specific purposes, 2 vehicles for the Outreach Programme, support of the 2 year physiotherapy training course in Jalalabad, and for international orthopaedic supplies.

United Nations – Adopt a Minefield

This grant was to make hand propelled wheelchairs, and provides loans to mine victims and other disabled in 3 provinces who want vocational training and support to start small businesses.

UNDP

Grant to provide physical rehabilitation service, training and education in Jalalabad and district.

Ashram Trust

This represents the remains of a grant was to build 22 homes for disabled men and women living in Shomali Plain, north of Kabul.

14. CONTINGENT LIABILITIES

The Trustees are not aware of any contingent liabilities at 31st March 2006.

15. NET ASSET BETWEEN FUNDS

	General	Designated	Restricted	Total
	£	£	£	£
Fixed Assets	5,476	-	-	5,476
Net Current Assets	195,210	9,487	-	204,697
	<u>£200,686</u>	<u>£ 9,487</u>	<u>£ -</u>	<u>£210,173</u>

SANDY GALL'S AFGHANISTAN APPEAL
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31ST MARCH 2006

16. **ASSETS TRANSFERRED TO THE SWEDISH COMMITTEE FOR AFGHANISTAN**

	2006		2005	
	£	£	£	£
FIXED ASSETS AT NET BOOK VALUE				
- Buildings	-		-	
- Computer Equipment	1,482		-	
- Manufacturing, Medical and Other Equipment	38,160		-	
- Motor Vehicles	3,624		-	
		<u>43,266</u>		-
CURRENT ASSETS				
- Debtors	1,514		-	
- Cash at Bank and in Hand	22,728		-	
		<u>24,242</u>		-
LESS CREDITORS		<u>(1,554)</u>		-
		<u>£ 65,954</u>		<u>£ -</u>

17. **ASSETS TRANSFERRED TO JAMHURIAT HOSPITAL**

	2006	2005
	£	£
FIXED ASSETS AT NET BOOK VALUE		
- Manufacturing Medical and Other Equipment	<u>£ 2,164</u>	<u>£ -</u>

18. **PRIOR YEAR ADJUSTMENT**

During the course of their work the auditors in Pakistan, recognised a number of errors relating to the preceding year, which were material and hence they have included them in a prior year adjustment. This adjustment has had the following effect on the Charity's balances brought forward at 1st April 2005.

		As Previously Reported	Prior Year Adjustments	As Restated
		£	£	£
Fixed Assets	(a)	51,195	8,666	59,861
Debtors	(b)	2,286	13,184	15,470
General Fund	(c)	<u>(145,818)</u>	<u>(21,850)</u>	<u>(167,668)</u>
			<u>£ -</u>	

SANDY GALL'S AFGHANISTAN APPEAL
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31ST MARCH 2006

18. **PRIOR YEAR ADJUSTMENT (Continued)**

(a) This represents the amounts of fixed assets inadvertently charged to the Statement of Financial Activities, which should have been capitalised. These amounts have also been adjusted for the related depreciation charges.

(b) The movement in Debtors is the result of two adjustments. The first represents the amount of expenditure paid on behalf of the KOO prior to 1/4/2005, but these were reported as the Charity's own expenditure, rather than as due from the KOO. The adjustment of £12,600 has been adjusted through the prior year's Statement of Financial Activities, and treated as receivable in Debtors.

Secondly it represents the amount of loans provided to the disabled persons, which under the scheme 50% of the loan is charged to expenditure, whilst 50% is repayable from the beneficiary. In the preceding year the total of the loans was charged to expenditure, and as a result £584 has been adjusted to Debtors.

(c) The accounts have been restated accordingly and this has had the effect of increasing the General Fund by £21,850.