

**Riders
for
Health**

**Annual Report and
Financial Statements**

31 December 2009

Company Limited by Guarantee
Registration Number
3178605 (England and Wales)

Charity Registration Number
1054565

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Reference and administrative details of the charity, its trustees and advisors

Patron	HRH The Princess Royal
Trustees	M McCulloch (Chairman) C Aksland (resigned September 2009) L Davies R Horsley K Huewen D Lavelle (resigned September 2009) S Male B Margetts R Miller F Minoli (Italy) S Parrish N Pitts-Tucker J Ryan
Company secretary	A Coleman
Chief Executive Officer	A Coleman
Executive Director	B Coleman
Registered office	The Drummonds Spring Hill Harborough Road Pitsford Northamptonshire NN6 9AA
Company registration number	3178605 (England and Wales)
Charity registration number	1054565
Auditors	Buzzacott LLP 12 New Fetter Lane London EC4A 1AG
Bankers	HSBC plc 29 Bowen Square Daventry Northamptonshire NN11 4ER
Solicitors	Farrer & Co 66 Lincoln's Inn Fields London WC2A 3LH

Chairman's statement Year to 31 December 2009

2009 marked the first year of implementing our new 5 year strategic plan. Its primary goal is to bring about improved access to health care for a further 10 million people in Africa by 2013. The 2009 Report and Accounts depict a year of greatly increased activity towards this goal, underwritten by the generous support of the Bill and Melinda Gates Foundation and the Skoll Foundation.

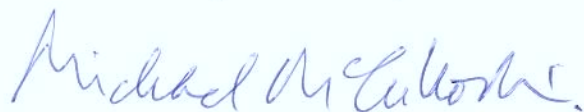
Among the key achievements, about which you can read more in the text of the Report and on our website www.riders.org, were:

- ◆ Bringing the Transport Asset Management programme in The Gambia up to full speed, so that health services throughout this country of 1.7 million people can depend on reliable transport
- ◆ Extending the Sample Transport programme in Lesotho, again towards nationwide coverage, so that more rural health centres, their medical staff, and the patients they serve can count on our trained couriers for regular sample collection and delivery of test results. During a brief return visit to Lesotho in early 2010, I was impressed by the headway made by our field staff, as too by the commitment of the Lesotho Government progressively to take financial responsibility for continuing the programme. The interest shown by other African countries in our Lesotho programme has led Riders to hope that, in partnership with the Clinton Foundation HIV/AIDS Initiative, we can introduce similar schemes elsewhere
- ◆ Launching a pilot programme in eastern Zambia offered an early opportunity to test the potential of sample transport as a foundation for Riders' future growth. The initial effort is small - 5 couriers servicing 15 rural health centres - but nevertheless required a substantial investment up-front. The experience again underlined our need for unrestricted funding, and we are hugely grateful to the Adolf H. Lundin Charitable Foundation for providing the launch finance in Zambia. As I saw during my visit to Chadiza District in March, the first five couriers - three women and two men - are already making an impact, that Riders is monitoring closely, and that is also generating local demand for expansion
- ◆ Preparing, again in a modest way, to relaunch Riders' activities in Zimbabwe. As previous Annual Reports have stressed, our team in Harare kept going through very difficult years. Now, as my visit there in March confirmed, though much uncertainty remains, prospects have improved enough to justify a careful investment in renewing our capacity and operational partnerships.

Expansion - the theme and the detail of much of our 2009 Report - also carries risks, especially perhaps in the challenge of maintaining the high standards we have set ourselves. Ensuring that this happens as we grow is, I know, a continuing preoccupation of Andrea and Barry Coleman and the senior management team, as also of the Board of Trustees. The Report describes many of the steps we have taken to this end.

Chairman's statement Year to 31 December 2009

This is my last Annual Statement, as I will be standing down at the end of my second term as Chairman, in October 2010. It has been a privilege and source of deep fulfilment to serve Riders and its beneficiaries in this role. I thank the founders - Andrea and Barry Coleman, my fellow Trustees, Riders' staff overseas and in the UK, as well as its many supporters, for their advice, help, and encouragement.

A handwritten signature in blue ink that reads "Michael McCulloch". The signature is written in a cursive style with a large initial 'M'.

Michael McCulloch
Chairman of Trustees

Joint statement by the Chief executive officer and Executive director

Year to 31 December 2009

In 2009 Riders for Health, together with our partners, took great strides forward in Africa in the face of a challenging economic environment.

It would be imprudent not to acknowledge that the fundraising environment has been tough. We have had to work harder than ever to secure the funding to develop our programmes. Nevertheless, our duty is always to deliver for our partners and beneficiaries, and to make the money work hard too.

As the world faced up to economic crisis, Riders' extensive experience in Africa gave us a valuable context and perspective on the challenges ahead. After all, we have worked for over 20 years in countries, like Zimbabwe, where economic uncertainty and instability are a daily reality. As a result, we designed Riders' operational and financial models to deliver the maximum impact from any given investment, on a cost-effective, transparent and sustainable basis.

We have maintained a steadfast focus on our core competence and core values. Our core competence is the management of vehicles in harsh conditions. We do this at the lowest possible cost for our partners and ensure that they run for the longest possible time. At the heart of Riders' work is the empowerment of people in Africa: the people in rural communities and the health workers who serve them, and the highly-trained Riders staff who keep life-saving vehicles on the road. This year we have continued to be inspired and moved by the dedication of our teams in Africa, who have been unwavering in their commitment to excellence despite the daily challenges they face, and the commitment of our partners to ensuring that everyone – no matter how remote – can be reached with health care.

During 2009 we have continued to develop innovative financial models for health systems strengthening. In the Gambia, our unique Transport Asset Management programme – in partnership with the Ministry of Health, the Skoll Foundation and Guaranty Trust Bank – has gone from strength to strength, providing reliable transportation for health care delivery across the country. We are delighted to report that, since the programme began, no outreach health clinic has been cancelled due to problems with transportation.

In Lesotho, our highly-skilled, specialist sample transporters are now providing a comprehensive courier service on a national scale, significantly improving the process for potentially life-saving diagnosis and support of patients with HIV and tuberculosis. And at the end of 2009, we were proud to attend the launch of a similar courier service in Chadiza District, in Zambia's Eastern Province.

We are also privileged to have received the continued support of the Skoll Foundation and the Bill and Melinda Gates Foundation who have been instrumental in enabling us to achieve our goals.

Thanks to the Skoll Foundation's unique focus on core costs, we have been able to maximize our investment in our field programmes.

Joint statement by the Chief executive officer and Executive director

Year to 31 December 2009

The Bill & Melinda Gates Foundation have enabled us to made great advances in our ability to monitor and evaluate our work. We are now to report more comprehensively on the impact of our programmes, and demonstrate the vital importance of transport and logistics for health care delivery.

While we are immensely proud of all that Riders has achieved this year, we know that none of this would have been possible without the generosity and commitment of our supporters, our funders and our board. We have been greatly moved by the support that has been given to Riders by the public – and particularly our friends in the motorcycle community – despite the strain on everyone’s finances. Together, we have enabled many more families in rural Africa to receive the regular, reliable health care that we can so often take for granted. On behalf of those families, and our colleagues in Africa, thank you.



Andrea Coleman
Chief executive officer

Barry Coleman
Executive director

Trustees' report

The trustees present their statutory report with the financial statements of the charitable company for the year ended 31 December 2009.

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 30 to 32 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).

OUR WORK: TRANSFORMING HEALTHCARE DELIVERY IN AFRICA

Vision and mission

Our **vision** is of a world in which no one will die of an easily preventable or curable disease because barriers of distance, terrain or poverty prevent them from being reached.

Our **mission** is to strengthen health systems by addressing one of the most neglected, yet vital, aspects of development for the health of Africa – transport and logistics. We achieve this by managing vehicles on a reliable, predictable and cost-effective basis, to support the work of our partners whose remit is to reach rural communities with health care and other vital services.

Public benefit

In setting Riders' objectives and planning its activities, the trustees are satisfied that Riders has given careful consideration to both the Charity Commission's general guidance on public benefit and advancement of health for the public benefit. The details of Riders' activities and achievements in the report show how Riders meets the criteria. The trustees always ensure that the activities we undertake are in line with our charitable objectives and aims.

The need for our work

Health interventions are not having the impact they should in the developing world and as a result millions of people continue to die each year from preventable and curable diseases. One of the main causes of this is the lack of consistent delivery of health resources because of poor transport and logistics infrastructure. The development community has committed huge energies and intellect, and billions of dollars, to the development of new vaccines, drugs and health programmes, but without a delivery system this financial and intellectual investment is in vain – with tragic consequences for those who remain unreached.

How we work

Riders responded to these health care delivery barriers by developing a focused expertise in planned, preventive mechanical maintenance. Our innovation is a system designed specifically for the maintenance and management of the vehicles used for the delivery of health care and other public services in conditions where there is no widespread network of vehicle-maintenance facilities. We provide the critical 'missing link' in the health care delivery chain.

Trustees' report

OUR WORK: TRANSFORMING HEALTHCARE DELIVERY IN AFRICA (continued)

Vision and mission (continued)

How we work (continued)

Partnerships

Partnerships and collaboration are essential to Riders' model. Our aim is to underpin the work of any health-related organisation that serves rural communities in Africa, giving them predictable and reliable access to their beneficiaries. We work with African ministries of health (MoHs), international and local NGOs (non-governmental organisations), UN agencies and community-based organisations. Our work dramatically reduces the costs of running vehicles for health care delivery, conserving and maximising the valuable resources of ministries of health and other partners so that they receive excellent value in return.

Preventive maintenance

Riders' vehicle management system includes servicing vehicles using outreach technicians (to save health workers having to have 'down-time'); fitting replacement parts on an agreed preventive schedule, and training health workers in how to safely ride/drive and carry out daily preventive maintenance checks. The system enables our partners to know the precise cost of each kilometre travelled by the health workers to which they have allocated vehicles, and accurate budgets can then be produced. It is on this basis that Riders is able to charge an appropriate, not-for-profit fee for our transport management services.

The foundation of the system is Riders' unique cost-per-kilometre (cpk) calculator, which gives the true costs of running any vehicle in any given environment. This calculation involves regularly monitoring information on fixed costs such as management and logistics and also on variable costs such as fuel and replacement parts. These costs are averaged by the calculator and distributed over every kilometre travelled during a given time-span.

Appropriate models for development

Together with our learning from work with partners in Africa, the accuracy of the cpk calculator has allowed Riders to reformulate our successful system into four distinct financial models suitable for different kinds of scale and partnership. The models are:

- ◆ Transport Resource Management (TRM) – this has been our foundation transport management system for the last ten years
- ◆ Transport Asset Management (TAM) – a vehicle leasing model suitable for large-scale partnerships
- ◆ Active Community Transport (ACT) – provides an appropriate service for smaller NGOs and community-based organisations
- ◆ Professional Sample Courier (PSC) – allows not only for the management of vehicles but also for employment of specialist motorcycle couriers, to collect medical specimens from health centres, deliver them to laboratories and then return the results to the health centre

Trustees' report

OUR WORK: TRANSFORMING HEALTHCARE DELIVERY IN AFRICA (continued)

Vision and mission (continued)

Our current activities

Riders has a solid base of experience, expertise and specialist knowledge built over nearly 20 years of operating in sub-Saharan Africa. Currently we:

- ◆ Maintain more than **1,400 vehicles**, enabling health workers to improve access to health care for **over 10 million people** (measured through an independent analysis);
- ◆ Operate on a national scale in **Zimbabwe, the Gambia and Lesotho** in full contractual partnership with the Ministries of Health (MoHs);
- ◆ Work on a sub-national scale with partner agencies (MoHs, NGOs, UN agencies and community-based organisations – CBOs) in **Kenya, Tanzania, Zambia and Nigeria**;
- ◆ Operate a specialist training school – the **International Academy of Vehicle Management (IAVM)** – in Zimbabwe, which provides training for Riders and its partners in safe riding and driving, vehicle maintenance and fleet management;
- ◆ Employ **over 250 staff in Africa** (all are nationals of the countries concerned), and 26 staff in our UK centre, including two operations staff from Nigeria and Zimbabwe.

OUR STRATEGIC OBJECTIVES

2009 was the first year of Riders' new five year strategic plan. Our focus is on scaling-up operational growth, in both existing and new country programmes, to enable our partners to improve access to health care for a further 10 million people in Africa by 2013.

Our strategy is based on the replication of our programmes being carried out hand-in-hand with rigorous monitoring and evaluation of our work, and with advocacy for both the practical impact of Riders' systems and the benefits of contracting-out vehicle management for health care delivery.

Our four key strategic objectives for the next five years are to:

- ◆ Enable local health care providers to reach 20 million people living in the poorest rural African communities;
- ◆ Operate in at least eight countries in sub-Saharan Africa;
- ◆ Manage 4,000 vehicles for health-focused partners; and
- ◆ Have carried out in-depth research with Stanford University, to prove conclusively the impact of reliable, outsourced transportation on the delivery of health care.

Trustees' report

OUR STRATEGIC OBJECTIVES (continued)

In order to achieve these objectives, our strategy is organised into four main strands:

- ◆ Develop and refine Riders' models, and enhance capacity to reach more people in our existing programmes
- ◆ Replicate our programmes in additional countries
- ◆ Evaluate and demonstrate the impact of Riders' work
- ◆ Build Riders' core organisation and advocacy to ensure sustained impact

ACHIEVEMENTS IN 2009

During 2009 we have made significant progress in all four elements of our strategy, taking positive steps towards achieving our long-term objectives.

Developing our existing programmes

A landmark first for the Gambia

In February we were delighted to launch our first Transport Asset Management (TAM) programme in the Gambia, in partnership with the Ministry of Health (MoH), GT Bank and the Skoll Foundation. Riders purchased a national-scale fleet of appropriate vehicles and now leases them to the MoH. The vehicles are maintained within the established Riders system in the Gambia, meaning that they run reliably and cost-effectively.

Unfailing reliability of transport, and predictable mobilisation of health workers, means that the government's work in preventive health care, public health education, disease-specific care and testing, in maternal and child health and in immunisation can be carried out with no unexpected downtime due to lack of transport. The Gambia therefore occupies a unique position as the first African country to have total transportation coverage for its health service, providing the opportunity to improve access to health care for its entire population (c. 1.7 million).

The programme has been received extremely positively in the Gambia and, in September, Riders won the social enterprise category at the Third Sector Excellence Awards in recognition of the innovation and potential of the TAM model.

Transforming systems for testing and diagnosis

Our work in Lesotho has also taken a fundamental step forward with the development of our Professional Sample Courier model. One of the main challenges to managing the disease burden across Africa – and particularly the HIV crisis – is in detection of the disease and therefore in the testing of the population. This is vital in the case of pregnant women and in particular the stemming of mother-to-child transmission of HIV. Working closely with the Clinton Foundation HIV/AIDS Initiative and the Elton John AIDS Foundation, in 2008 Riders developed a specialist specimen courier system in direct response to this challenge. The system allows for the management of motorcycles and the employment and training of the riders for specialised sample delivery and collection.

Trustees' report

ACHIEVEMENTS IN 2009 (continued)

Developing our existing programmes (continued)

Transforming systems for testing and diagnosis (continued)

The PSC service has now been rolled out and, since October 2009, 25 Riders Sample Couriers have been working across all ten districts of the country. A baseline study has also been carried out to provide analysed information on what sample delivery methods were used before the sample transportation programme began. Early indications show that the programme has had a wide-ranging impact, including: an increase in the number of samples being taken, a reduction in turnaround time for results, improved reliability of service for patients, and a reduction in the waiting time for patients to begin treatment. We will carry out a one-year review of the programme in 2010 fully to assess the impact of this work.

Mobilising grassroots organisations in Kenya

During 2009 we significantly expanded our work in Western Kenya, and now manage 57 vehicles for nine local partner organisations in the region as well as our existing partnership with the US NGO, AID Village Clinics. We have also established a small office and workshop in Kisumu and trained a local technician in order to manage the increased fleet.

The reliable mobility provided by Riders has enabled our partners to expand their work and to reach their beneficiaries more regularly and reliably. Rose Moon, Riders' programme director and founder of one of our local partners, *Vumilia*, reports that "the greater frequency of Vumilia's visits to the community for home-based care, and the improved community mobilisation, has led to more people coming to the centre for HIV testing, and a reduction in death rates due to HIV/AIDS as many people are informed about the disease and its related illness".

Replicating our work in additional countries

In 2009 Riders launched a new programme in Zambia. The country faces several urgent public health problems, particularly HIV, malaria, TB and malnutrition. The national HIV/AIDS prevalence is 15.6% and TB is on the rise, with new infections fuelled by a 70% HIV co-infection rate. Maternal and infant mortality are at serious levels. Diarrheal disease is prevalent and there are regular outbreaks of cholera.

Riders has begun work in Chadiza District, Eastern Province, using our PSC model to improve the diagnosis of HIV and TB. Five Riders Sample Couriers began work in November and now serve the 124,000 inhabitants of Chadiza District across a network of 15 rural health centres. Riders has established an office and workshop in Chipata, the provincial capital, and by September 2010, a further 20 motorcycles will be operational in the programme, mobilising outreach public health worker as well as Sample Couriers.

We are especially grateful to the Adolf H Lundin Charitable Foundation who enabled us to establish this new programme, and to the Venture Partnership Foundation who have agreed an innovative financial partnership with Riders to secure additional capital investment to scale up the programme.

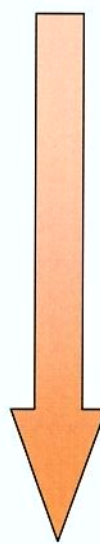
Trustees' report

ACHIEVEMENTS IN 2009 (continued)

Evaluating and demonstrating our impact

During 2009 encouraging headway has been made in the development of the monitoring and evaluation (M&E) function at Riders. We have established an M&E department from scratch in the UK support centre, and have begun to recruit and train local M&E officers in our programmes. We have established health-related baseline and ongoing data collection in three country programmes – Lesotho, the Gambia and Zambia – with some health-related monitoring also being carried out in Kenya.

We have devised a three-level approach to link the application of the Riders model with measurements of an improved health care system. This approach uses interrelated impact questions to guide measurement of progress toward achieving the change intended by the programme:

- 
- 1. *Vehicle performance***

To what extent does Riders' preventive maintenance system result in reliable performance of the vehicle fleet for the partner(s)?
 - 2. *Health worker and health facility productivity***

To what extent does reliable mobility result in a strengthened health system in terms of improved health worker productivity within the network of health workers and health facilities?
 - 3. *Health care coverage and uptake***

To what extent does increased health worker productivity result in increased uptake of critical interventions being used by the partner(s) to tackle disease and poor health?

Riders' UK M&E team has worked closely with Stanford University to identify the key areas to be covered by the in-depth research project. The Stanford team has also been able to use Riders' pilot project in Zambia to test their proposed data collection systems as part of the preparation for carrying out large-scale research in due course.

Building our advocacy and organisation to sustain our impact

Riders' Management Council: African-led development

We were extremely encouraged by the successful management council meeting which took place in the UK in October. The council was attended by the programme directors from each country, together with other key staff from their teams.

Trustees' report

ACHIEVEMENTS IN 2009 (continued)

Building our advocacy and organisation to sustain our impact (continued)

Riders' Management Council: African-led development (continued)

The theme of the council was 'Riders from 2009 to 2013: the next stage for our drive for change in Africa' and all discussions focused on the developments needed to meet our five-year objectives. External consultants and speakers – including Pamela Hartigan, director of the Skoll Centre for Social Entrepreneurship at Oxford University's Said Business School – added valuable perspectives on key issues such as social entrepreneurship, marketing and finance. The council generated an agreed set of resolutions and actions to be taken forward by all Riders teams, and these are now being built into the business planning for 2010 and beyond.

Managing growth

Riders enjoyed many successes during our years based in New Street, Daventry. However, by 2009 it had become clear that the premises were no longer suitable to accommodate the anticipated growth of the organisation and it was time to move on to the next phase in our development. In August 2009, Riders moved to new premises at Spring Hill, near Northampton, which have the space and facilities to support the work required to expand our work over the next five years.

In order to support the planned operational growth, Riders has invested in developing key areas of organisational capacity, including:

- ◆ The development of effective project management systems
- ◆ Enhanced organisation-wide and departmental business planning cycles
- ◆ Systems for improved communication, data-collection and analysis and information-sharing
- ◆ Risk management
- ◆ Brand protection
- ◆ Human resources, staff training and development

Advocacy

We have continued to work persistently to raise the profile of transportation as a key factor in effective development. In the global health community, particular highlights were the speaking engagements for Riders' co-founders at the Global Health Council, held in Washington D.C. in May, and the Global Forum for Health Research, held in Cuba in November. We have also been successful in raising awareness of Riders' work within the general public, through opportunities such as our YouTube channel, launched in March, and coverage in the Transworld Sport programme broadcast on Sky Sports 3 in August.

Trustees' report

ACHIEVEMENTS IN 2009 (continued)

Fundraising performance

The difficult economic climate in 2009 represented a significant challenge to our fundraising efforts, and its impact was felt most strongly on our unrestricted income. However, we have been both humbled and encouraged by the loyalty and continued generosity shown by our donors, which augurs well for our long-term sustainability.

In response to these immediate financial challenges, and the need for long-term growth, we have worked hard to consolidate our existing income streams and to diversify into new areas of opportunity:

- ◆ We have established the framework to launch a new fundraising event – Experience Africa – in 2010. This is a motorcycle challenge ride across Lesotho, for which participants will raise sponsorship to support Riders' work. The trip will include visits to rural health centres and communities for participants to see the work at firsthand. A successful pilot ride took place in November and the first public event will take place in October 2010.
- ◆ We are working to develop our individual donor programme through the use of direct mailing appeals and donor recruitment activities. We are encouraged that response rates to these appeals have been above average and we will continue to invest in this area in 2010.
- ◆ We are working with our partners to explore new funding mechanisms including loan financing. In December we confirmed a Revenue Participation Agreement with the Venture Partnership Foundation, which will enable us to generate seed capital to scale up our work in Zambia.

FUTURE PLANS

In 2010 Riders for Health will:

- ◆ Introduce a new strategic strand of work to focus on leveraging our expertise more effectively through education, training and advocacy. The development of our training school in Zimbabwe as a centre of excellence will be a key component of this work.
- ◆ Expand our work in Zambia to mobilise at least another 20 health workers.
- ◆ Invest in scaling-up our work in Kenya and Nigeria with the aim of establishing national programmes in the long-term.
- ◆ Continue to explore ways to ensure the sustainability of established programmes.
- ◆ Utilise specialist expertise to research potential operational partners and opportunities in the global health community. From this we will create strong strategies for marketing our work.

Trustees' report

FUTURE PLANS (continued)

- ◆ Build capacity in key areas – including operations, fundraising, communications and M&E – to support organisational growth, and develop appropriate systems for maximizing the potential of all our staff.

The management council will continue to be a vital tool in managing the expansion of Riders' work, leveraging opportunities and achieving our global health objectives. A specialist finance council is planned for 2010 to review and strengthen this particular function across the organisation. The next full management council will take place in 2011.

GOVERNANCE

◆ Constitution

The organisation was established under a Memorandum which sets out the objects and powers of the organisation and is governed under its Articles of Association.

◆ Trustee appointment

Under the charity's Articles of Association the trustees shall consist of:

- ◆ those persons named in the statement delivered pursuant to the Companies Act, who shall be deemed to have been appointed under the articles;
- ◆ those trustees who upon retiring by rotation are reappointed at the Annual General Meeting;
- ◆ persons appointed by the members in general meeting who have:
 - (a) been recommended by the trustees; and
 - (b) notified to the members of their willingness to be appointed not less than fourteen nor more than thirty-five clear days before the meeting date.

Trustees are selected on the basis of the experience, knowledge, and integrity that they bring to the board. The board includes trustees with experience in overseas development, global health issues, monitoring and evaluation, financial management, charity trusteeship and knowledge of the fundraising community. The normal term of office is three years, renewable. The board reviews its composition annually, and seeks additional members as necessary. New trustees are proposed by existing trustees, the chief executive officer or the executive director. Candidates are given an information pack on Riders, and are interviewed by the chairman, chief executive officer and the executive director. They are then invited to attend a meeting of trustees as an observer and to meet with other board members before appointment. Trustees who do not attend sufficient meetings, or help the organisation in other ways, are asked to stand down.

Trustees' report

GOVERNANCE (continued)

◆ **Trustee appointment** (continued)

The following trustees were in office during the year ended 31 December 2009 and served throughout the year unless otherwise specified:

Trustees	Appointed/ Resigned	Sub-committees: Finance	Nominations	Audit and risk	Remuneration
M McCulloch (chairman)			✓	✓	✓ (chair)
C Aksland	Resigned 23 September 2009				
L Davies					
R Horsley		✓		✓ (chair)	
K Huewen					✓
D Lavelle	Resigned 29 September 2009				
S Male					
B Margetts					✓
R Miller			✓ (chair)		
F Minoli			✓		
S Parrish					
N Pitts-Tucker		✓ (chair)		✓	✓
J Ryan		✓			

A short biography for each of the trustees is given on pages 21 to 23.

No trustee received any remuneration for services as a trustee. No trustee had any beneficial interest in any contract with the charity during the year.

◆ **Trustee induction and training**

During 2009 Riders' board continued to work on a renewal and development programme to ensure the organisation has an appropriate board for its planned growth and financial sustainability. This included the creation of a specialist finance sub-committee in 2009. The process for the recruitment of new trustees has been refreshed in 2010 under the guidance of a new nominations sub-committee.

◆ **Trustee organisation**

The trustees meet on a quarterly basis to oversee Riders' activities. The trustees have also established a system of sub-committees to support the main board and Riders' senior managers. The sub-committees and their purpose are outlined below:

Nominations committee – to co-ordinate the appointment of new trustees.

Audit and risk committee – to oversee the accounts and audit process and review Riders' risk management procedures.

Remuneration committee – to determine the pay of Riders' executives.

Finance committee – to monitor, support and review Riders' financial reporting, investments and capital financing programmes.

Trustees' report

Riders for Health – the organisation

◆ Organisational structure

Riders for Health has country programme offices in the Gambia, Nigeria, Zimbabwe, Lesotho, Zambia and Kenya in addition to the UK resource centre. The UK resource centre provides vital support for the African programmes in terms of fundraising, technical developments, procurement, training, global health and development connections, and ensures the same standards of accountability, transparency, and best practice, are applied throughout Riders for Health.

Riders also provides services and consultancy for other humanitarian organisations that are not part of the Riders for Health group. They are AID Village Clinics in Kenya and Friends of Masasi in Tanzania.

Riders has fundraising branches in the Netherlands, Italy, Spain and the United States. The fundraising support branches create a reliable stream of income particularly from the European and American motorcycling community. Riders' fundraising branch in Germany closed in December 2007, but during 2009 a small group of volunteers aimed to reinstate fundraising activities in the country.

The organisation is therefore made up of a group of branches, consisting of Riders UK, the operational programmes and fundraising branches. Each branch is set up according to domestic law, but with a shared vision, mission and values. These financial statements incorporate all these branches to show the financial activities of the entire organisation.

◆ Management

Riders is led by the chief executive officer (CEO) and the executive director (ED), who are co-founders of the organisation.

The CEO and ED prepare the organisational strategy together with the Riders' management council. The council comprises the operations director and the programme directors from each African programme. The strategy and corresponding budgets are reviewed and approved by the board of trustees.

On a day-to-day basis the CEO and ED are supported by the strategy and risk team. This is a 'tier two' management team focused on the development and implementation of strategic planning.

◆ Risk management

The board recognises that Riders for Health works in countries in which one or more of the social, political, geographic, climatic and economic environments can represent serious risks to operations. Riders works closely with its funding partners, some of which are large institutions with complex procedures and structures which can delay payments. Riders for Health raises and spends money in many currencies, some of which are strong but some of which experience very high inflation and forex fluctuations. Riders' staff travel and operate within countries where road conditions are difficult and where serious civil unrest can occur. Riders' management has a system that identifies the risks and strategies to mitigate these risks.

Trustees' report

FINANCE REPORT

◆ **Income and funding**

Riders' ability to provide reliable transportation services for our partners is dependent on the commitment and generosity of our supporters and funders. 2009 was a very successful year for Riders, despite the challenging economic environment, with total income increasing by 27.9% to £3,894k.

One of the factors that defines Riders as social enterprise is the diverse range and composition of this income and funding. Riders funding comes from five main streams :

- 1 Motorcycling events and activities
- 2 Donations: (including donations from individuals, volunteers and sponsored events, groups and corporate supporters)
- 3 Grants & awards
- 4 Programme generated income (from vehicle management contracts)
- 5 Capital finance (loans/debts)

◆ **Stream 1 - Motorcycling events and activities**

Riders raises a significant proportion of our unrestricted income from within the international motorcycling community, and we are extremely grateful for the continued commitment we receive from our supporters. In 2009, income from motorcycling events was £430k with over £184k of this income coming from Riders' centrepiece event – Day of Champions.

◆ **Volunteers and volunteer fundraising**

Riders for Health's network of committed volunteers in the UK and overseas has continued to be an invaluable resource, giving their support to a year-round calendar of fundraising events. Our overseas fundraising branches are also managed by local volunteers. None of our volunteers receive financial benefits for the time they generously donate to support our work.

◆ **Stream 2 - Donations**

Riders raises funds from individuals, groups and corporations – both in the UK and the USA. During the year, income from donations was £494k. Individuals donate directly to Riders and also hold a range of sponsored events to raise funds for Riders. Riders is well supported by a range of corporate organisations within the motorcycling community.

◆ **Stream 3 - Grants and awards**

The funding received from grants enables Riders to build capacity in existing programmes, and to invest in developing new activities, thus enabling more health and community workers to have reliable access to their beneficiaries. In 2009 grants and awards were a major growth area for Riders. Major grants included:

Trustees' report

FINANCE REPORT

- ◆ **Stream 3 - Grants and awards** (continued)
 - ◇ The Bill & Melinda Gates Foundation – which was the first full year of a five year grant with the central objectives of evaluating and demonstrating the impact of Riders' models, and to support Riders' expansion into new territories.
 - ◇ The Skoll Foundation – provided a one year extension grant to develop Riders' core social enterprise activities.

- ◆ **Stream 4 -Earned income from programmes**

In keeping with Riders' focus as a social enterprise, each of Riders' programmes earns its own income by charging its health agency partners for Rider's vehicle management services. Earned income represents 37.6% of Riders' total income and the vast majority of this is earned directly in Africa. Riders' largest programme income is from the Gambia where earned income rose to £1,044k in 2009 following the introduction of the TAM contract.

- ◆ **Logistics grant income**

Riders received £122k from the Elton John AIDS Foundation to manage and maintain 120 motorcycles in Lesotho. Riders charges this income based upon our cpk (cost per kilometre) charging model. Riders also received £98k from the Lundin Foundation – to create Riders' infrastructure in Eastern Province in Zambia and run 25 motorcycles in partnership with health delivery organisations.

- ◆ **Stream 5- Capital finance**

The introduction of TAM, involving the change in Riders' business model to owning the vehicles we manage make sources of capital finance an important funding stream. During 2009 Riders obtained a loan of \$2.2m from GT bank, underwritten by the Skoll Foundation to purchase the TAM fleet in the Gambia.

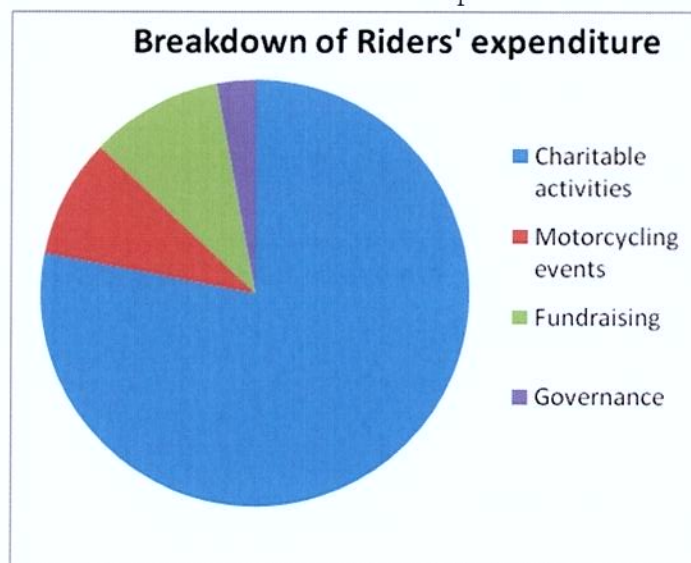
Trustees' report

FINANCE REPORT (continued)

◆ Expenditure

Total expenditure in 2009 was £4,102k. Of every £1 spent, 80p was spent on charitable activities, 8.5p on motorcycling funding events, 9p on raising funds, and 2.5p on governance.

Chart to show allocation of Riders' expenditure



◆ Motorcycling events and activities expenditure

Riders earns unrestricted income in the motorcycling community using a social entrepreneurial funding model, in which it provides services such as a mobile helmet park and large-scale participative events for race fans (notably the annual Day of Champions event). Rather than making a direct donation, motorcyclists pay a fee to use these services and purchase tickets to take part in events.

Riders' expenditure in this area is the cost of putting on these events and providing these services. As a result of this model a better measure of their effectiveness is the net profit from these activities, rather than the percentage of Riders' total costs. It is also an effective way of raising the profile of Riders.

◆ Logistics expenditure

Logistics expenditure is at the core of Riders' charitable objective. There are three central areas of Riders' logistics expenditure:

- ◇ Direct vehicle running costs. The costs of procuring replacement parts and fuel for the vehicles Riders manages.
- ◇ Vehicle management infrastructure costs. Having the necessary infrastructure in place is vitally important to allow Riders to manage the vehicles for our partners. These costs include workshop costs, Riders' own vehicle costs and office expenses.

Trustees' report

FINANCE REPORT (continued)

◆ **Logistics expenditure** (continued)

- ◇ Staff costs. All programme staff are nationals of the countries in which Riders works, and all salaries are benchmarked locally. Riders employs 298 people, of whom 271 (91%) are based in Africa. Riders' staff includes technicians, drivers, trainers, supply chain officers, finance and office staff and programme managers.

◆ **Advocacy & education**

During 2009 Riders continued to vigorously promote the role of transport in improving healthcare delivery. Riders founders, Andrea & Barry Coleman attended a number of Global Health conferences to speak to key decision makers about the impact of transport on healthcare delivery.

Riders established a monitoring and evaluation team to develop all aspects of our operational performance and impact data. As part of the Bill & Melinda Gates Foundation grant Riders entered a partnership with Stanford University to conduct an academic level study on the impact of Riders' work.

◆ **Reserves policy**

Free reserves are the resources the charity has or can make available to spend for any or all of the charity's purposes once it has met all its commitments and covered its other planned expenditure. Free reserves therefore do not include restricted funds, designated funds and income funds that could only be realised by disposing of fixed assets held for charity use.

The charity needs reserves for the following reasons:

- ◇ To protect against late payment by partners and funding bodies
- ◇ To provide for fluctuations in income or expenditure
- ◇ To ensure continuity of support to beneficiaries
- ◇ To plan for growth and development

The objective of the trustees is to maintain a level of free reserves equivalent to three months' UK expenditure. Consequently a goal of the future business plan is to increase the level of reserves to strengthen Riders' financial position and provide a firm platform for future growth.

Trustees have therefore approved policies to achieve the targeted level of resources. The policies are:

- ◇ To implement the cost-control policy of predicting costs for replacement parts, based on implementing zero-breakdown principles;
- ◇ To transfer funds, where necessary to continue operations, on a just-in-time basis;
- ◇ To reduce exchange rate risks by incurring expenditure in the same currency as income is received where possible;

Trustees' report

FINANCE REPORT (continued)

◆ Reserves policy (continued)

- ◇ To ensure that accurate budgets are set and monitored and costs are well controlled in all areas of the organisation;
- ◇ To ensure programmes are self sustainable; and
- ◇ To start new programmes only when satisfied they are viable and are funded.

◆ Reserves position

Total reserves are £1,364k - this represents approximately four months of (35% of turnover). Free reserves are £376k, which represents two months of UK expenditure and an increase of £38k from 2008. The trustees will continue to monitor the level of general reserves on a quarterly basis.

◆ The charity's assets

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the financial statements.

Trustees' biographies

Mr Michael McCulloch, Chair of Riders' Board of Trustees

Mr McCulloch chairs the Finance and Audit Committee of the BBC World Service Trust, which uses communications to bring about development, and is a Trustee Director of the British Consultancy Charitable Trust which deploys experienced professionals overseas. He represents the European Bank for Reconstruction and Development on the Investment Committee of Europolis AG, which invests in commercial property in Central and Eastern Europe. Mr McCulloch holds an MA in history from Cambridge and an MA in international relations from Yale.

Mrs Linda Davies

Mrs Davies is General Secretary of International Race Teams Association (IRTA) for Moto GP.

Mr Richard Horsley

Mr Horsley is a director of a number of companies in the manufacturing and service industries. He holds an MA (Oxon) and is a Fellow of the Institute of Chartered Accountants in England and Wales.

Mr Keith Huewen

Mr Huewen is Motorsports presenter and commentator with Sky Sports, and former grand prix rider and multiple British road race champion.

Mr Steve Male

Mr Male is Motorcycle Business Unit Manager for Goodyear Tyres. Mr Male is a qualified mechanical engineer.

Trustees' report

Trustees' biographies (continued)

Dr Barrie Margetts

Dr Margetts is Professor of Public Health Nutrition at the school of Medicine, University of Southampton. He is also visiting professor of North West University, South Africa, and a fellow of the Faculty of Public Health. Dr Margetts undertakes consultancies for the World Health Organization and for UNICEF.

Sir Robin Miller

Sir Robin Miller was formerly Chief Executive (1985-98 and 2001-03) and Chairman (1998-2001) of Emap plc, one of the UK's leading media groups with businesses including consumer and trade publishing, commercial radio and music TV channels and events.

In 2003, he became senior media advisor to HgCapital, and was involved in the successful disposal of Boosey & Hawkes and Clarion Events Limited. He has also been Non Executive Director of Channel Four Television (1999-2006), and was Chairman of their New Business Board, was Non Executive Chairman of the HMV Group (2004-2005), Senior Non Executive Director at Mecom Group plc (2005-2009), Chairman of Entertainment Rights plc (2008-2009), and Setanta Sports in 2009.

He is currently a Non Executive Director of The Racing Post and Time Out Group, Chairman of IBIS Media VCT plc, Edge VCT plc, Getmemedia.com Limited, Golf Club Network and Crash Media Group, is a Director of Bikesportnews.com and a Trustee of the Golf Foundation and Riders for Health.

Mr Federico Minoli

Mr Minoli is President of ISB Sailing Company and StarEmilia-Mercedes, and Vice President of OMP Racing. He is director of Mantero Finanziaria, Dainese, WP Lavori in Corso, and Isida Business School and is a member of the advisory board of Alma Graduate School. He holds a degree in political science and international economics from Pavia University.

Mr Steve Parrish, Motorcycle commentator with the BBC.

Mr Parrish is a former world and British road race champion. In 1990, he joined the BBC as a technical presenter and commentator for both British and World Motor Cycle Championships; he has also worked for Sky Television and Eurosport.

Mr Nick Pitts-Tucker

Mr Pitts-Tucker is currently acting in a number of non-executive roles in the banking, investment and shipping industries, including Sumitomo Mitsui Banking Corporation Europe Limited, Seaspan Corporation, Investors in the Community. These follow a 36 year career in the Project Finance and International Banking business for banks in India, the Far East, Latin America, Russia and the Middle East.

Trustees' report

Trustees' biographies (continued)

Ms Joan Ryan

Ms Ryan is a policy and communications consultant. She began her career as a secondary school teacher in 1984. From 1997 to 2010 she served as a Member of Parliament and spent six years as a member of the Government focussing on Health, the Home Office and Foreign Affairs.

Trustees' responsibilities

The trustees (who are also directors of Riders for Health for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable UK 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 the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

Each of the trustees confirms that:

- ◆ so far as the trustee is aware, there is no relevant audit information of which the charity's auditors are unaware; and
- ◆ the trustee has taken all the steps that he ought to have taken as a trustee in order to make himself 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 s418 of the Companies Act 2006.

Trustees' report

Trustees' responsibilities (continued)

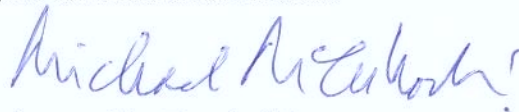
The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In addition to these formal responsibilities, trustees:

- ◇ ensure that Riders adheres to its mission and values;
- ◇ guide and, as appropriate, support management;
- ◇ approve Riders' strategies and policies;
- ◇ approve business plans and budgets;
- ◇ review the progress of Riders, against its strategic priorities;
- ◇ are consulted by management on sensitive operational issues; and
- ◇ review remuneration policies and, by means of a remuneration committee, consider and decide on remuneration of the Chief executive officer and Executive director.

Trustees individually also assist occasionally with specific operational matters, and from time to time representatives of the board visit Riders operations in Africa.

Signed on behalf of the trustees:



Chairman of the Board of Trustees

Approved on: 2 August 2010

Report of the independent auditors to the members of Riders for Health

We have audited the financial statements of Riders for Health for the year ended 31 December 2009 which comprise the statement of financial activities, the balance sheet, the principal accounting policies and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and independent auditors

The trustees are also the directors of the company for the purposes of company law. Their responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the statement of trustees' responsibilities contained within the trustees' report.

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, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the trustees' annual report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read other information contained in the annual report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Chairman's statement, the Joint statement by the Chief executive officer and Executive director and the Trustees' report. 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 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.

Independent auditors' report Year ended 31 December 2009

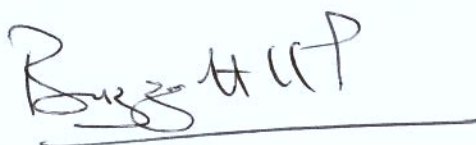
Basis of opinion (continued)

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

Opinion

In our opinion:

- ◆ the financial statements give a true and fair view of the state of the charity's affairs as at 31 December 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- ◆ the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ the financial statements have been prepared in accordance with the Companies Act 2006; and
- ◆ the information given in the trustees' annual report is consistent with the financial statements.



2 August 2010.

Avnish Savjani, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
12 New Fetter Lane
London
EC4A 1AG

Statement of financial activities Year ended 31 December 2009

	Notes	Unrestricted funds £	Restricted funds £	2009 Total funds £	2008 Total funds £
Income and expenditure					
Incoming resources					
Incoming resources from generated funds					
. Events and similar activities	1	429,947	—	429,947	433,385
. Donations	2	439,469	54,483	493,952	746,605
. Grants receivable	3	299,450	954,561	1,254,011	478,003
. Interest receivable	4	21,792	13,472	35,264	25,839
Incoming resources from charitable activities	5	1,243,500	221,812	1,465,312	1,093,729
Other incoming resources					
. Exchange rate gains (losses)	6	179,854	(7,951)	171,903	238,938
. Other income	6	43,435	300	43,735	26,260
Total incoming resources		2,657,447	1,236,677	3,894,124	3,042,759
Resources expended					
Cost of generating funds					
. Fundraising	7	337,392	27,907	365,299	233,677
. Events and similar activities	8	354,848	431	355,279	309,203
Charitable activities					
. Logistics	9	1,569,243	1,227,553	2,796,796	1,895,290
. Advocacy and education	9	188,293	301,897	490,190	229,057
Governance	11	88,608	5,339	93,947	60,286
Total resources expended		2,538,384	1,563,127	4,101,511	2,727,513
Net movement in funds	12,26	119,063	(326,450)	(207,387)	315,246
Funds brought forward at 1 January 2009					
		810,046	761,736	1,571,782	1,256,536
Funds carried forward at 31 December 2009					
		929,109	435,286	1,364,395	1,571,782

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 two financial periods.

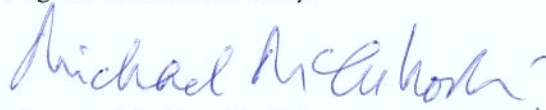
The charity has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented.

Riders incurs income and expenditure and owns assets within Zimbabwe. Zimbabwe was a hyper-inflationary economy during 2008. In 2009 Zimbabwe changed its operating currency to USD. The 2009 Zimbabwe accounts have been converted into GBP directly from USD, the 2008 comparatives have not been changed as the hyper-inflation conversion remains the correct accounting treatment, in line with FRS 24.

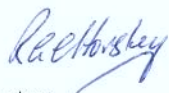
Balance sheet 31 December 2009

	Notes	2009 £	2009 £	2008 £	2008 £
Fixed assets					
Tangible assets	16		1,873,877		1,010,116
Investments	17		1		1
			1,873,878		1,010,117
Current assets					
Assets in transit		—		45,842	
Stock		41,550		49,556	
Debtors	18	277,894		159,424	
Cash at bank and in hand		2,434,804		4,164,274	
		2,754,248		4,419,096	
Creditors: amounts falling due within one year	19	(2,314,553)		(3,321,548)	
Net current assets			439,695		1,097,548
Total assets less current liabilities			2,313,573		2,107,665
Creditors: amounts falling due After one year	20		(949,178)		(535,883)
Total net assets	24		1,364,395		1,571,782
Represented by:					
Charitable funds					
Restricted funds	22		435,286		761,736
Unrestricted funds					
. Designated funds	23	553,325		472,354	
. General funds/reserves		375,784		337,692	
			929,109		810,046
Total funds			1,364,395		1,571,782

Approved by the trustees
and signed on their behalf by:



Chairman of the Board of Trustees



Trustee

Approved on:



Riders for Health

Company Registration Number 3178605 (England and Wales)

Financial activity in Zimbabwe 31 December 2009

Summary statement of financial activities	Zimbabwe £	Other branches £	2009 Total funds £	2008 Zimbabwe funds £
Total incoming resources	243,382	3,650,742	3,894,124	157,416
Total resources expended	(267,707)	(3,833,804)	(4,101,511)	(220,496)
Net movement in funds	(24,325)	(183,062)	(207,387)	(63,080)
Funds brought forward at 1 January 2009	345,594	1,226,188	1,571,782	427,069
Transfer between funds	—	—	—	(18,395)
Funds carried forward at 31 December 2009	321,269	1,043,126	1,364,395	345,594
Balance sheet	Zimbabwe £	Other branches £	2009 Total funds £	2008 Zimbabwe funds £
Fixed assets	303,244	1,570,634	1,873,878	345,594
Current assets	47,416	2,706,832	2,754,248	—
Creditors: amounts falling due within one year	(29,391)	(2,285,162)	(2,314,553)	—
Creditors: amounts falling due After one year	—	(949,178)	(949,178)	—
Total net assets	321,269	1,043,126	1,364,395	345,594
Represented by:				
Restricted funds	186,089	249,197	435,286	166,677
Unrestricted funds				
. Designated funds	135,180	438,145	573,325	178,917
. General funds/reserves	—	355,784	355,784	—
Total funds	321,269	1,043,126	1,364,395	345,594

This additional financial statement is included to clearly identify and explain the financial activities of Riders Zimbabwe as the country starts to emerge from a period of hyper-inflation and major economic upheaval. Despite these ongoing challenges, Riders remains totally committed to working in Zimbabwe. During 2009 Riders' activity in Zimbabwe started to increase, and we anticipate further increases in the future. As Zimbabwe enters a period of restoration the need for our services remains high. Riders continues to maintain a national network of workshops and the IAVM – Riders' training centre in Zimbabwe – and manages a large number of vehicles, though many of these vehicles are travelling fewer kilometres than their historic usage levels.

Zimbabwe adopted the US Dollar as its official operating currency (technically with effect from 1 February 2009, but in practice for the whole accounting period). Therefore for 2009 Riders Zimbabwe's operating activities were accounted for in USD and converted into GBP for consolidation using the period average GBP:USD exchange rate.

Principal accounting policies 31 December 2009

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the requirements of the Companies Act 2006. Applicable Accounting Standards and the Statement of Recommended Practice “Accounting and Reporting by Charities” (SORP 2005) have been followed in the preparation of these financial statements.

Basis of consolidation

The statement of financial activities and balance sheet consolidate the financial statements of the charity including its overseas branches (see trustees’ report) made up to the balance sheet date.

Consolidated financial statements of the charity and its wholly owned subsidiary company, Riders for Health (Trading) Limited, have not been prepared as, in the opinion of the trustees, the assets, liabilities and activities of the subsidiary company are immaterial to the group.

Incoming resources

Incoming resources are recognised in the period in which the charity is entitled to receive them and when the amount can be measured with reasonable certainty.

Voluntary income, which includes income from fundraising activities and donations, is credited to the statement of financial activities in the year in which it is received, except where the charity has been notified of the donation receivable and the amount can be measured with reasonable certainty.

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 comprise the following:

- a. The costs of generating funds include the salaries, direct costs and overheads associated with organising events, applying for grants and generating donated income.
- b. The costs of charitable activities comprise expenditure on the charity’s primary charitable purposes as described in the trustees’ report.

The majority of costs are directly attributable to specific activities. Certain shared costs are apportioned to activities in furtherance of the objects of the charity.

- c. Support costs represent indirect expenditure incurred by the charity. In order to carry out the primary purposes of the charity and to generate voluntary income it is necessary to provide support from the United Kingdom in the form of financial procedures, contract set up and other back office services. The method of cost apportionment is described in Note 10.
- d. Governance comprises the costs which are directly attributable to the necessary legal procedures for compliance with statutory requirements.

Cash flow

The financial statements 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'.

Tangible fixed assets

All assets costing more than £250 and with an expected useful life exceeding one year are capitalised.

All tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful lives:

- ◆ Freehold buildings 2% on a straight line basis
- ◆ Leasehold property Over the period of the lease
- ◆ Motor vehicles 20% on a straight line basis
- ◆ Fixtures and equipment 25% on a straight line basis

No depreciation has been provided on freehold land.

Assets acquired but not yet delivered to operational branches are recorded as assets in transit. They will be recorded as tangible fixed assets on delivery.

Fund accounting

Unrestricted funds comprise those monies which may be used towards meeting the charitable objectives of the charity at the discretion of the trustees.

Designated funds are monies or assets set aside out of unrestricted funds and designated for specific purposes by the trustees.

Restricted funds are funds raised for a specific purpose or donations subject to donor imposed conditions.

Leased assets

Assets acquired under finance lease or hire purchase agreements are capitalised with a resulting lease liability being established. Interest charges in respect of the finance lease are charged to the income and expenditure account on a systematic basis.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight-line basis over the lease term.

Principal accounting policies 31 December 2009

Donated assets

Assets donated to the charity for its own use are included in incoming resources and capitalised at their market value at the time of the gift.

Foreign currencies

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date.

The charity is active in Zimbabwe which had a hyperinflationary economy until 2009 when the country adopted the US Dollar as the official operating currency. In order to comply with Financial Reporting Standard 24 'Financial Reporting in Hyperinflationary Economies' the 2008 results of the Zimbabwe branch in Zimbabwe dollars were restated by applying an adjustment factor to represent the change in the general price index between the date the income and expenditure were originally recorded in the financial statements and the balance sheet date at 31 December 2008, before the results were translated into sterling. The general price index used was estimated based on data from Old Mutual Zimbabwe.

Exchange differences are recognised in the statement of financial activities as other gains and losses.

Due to the effects of hyperinflation on the Zimbabwe branch comparative results to the year ended 31 December 2008, an extra statement has been added to the financial statements at page 29 to show the branch's results, assets and liabilities separately, and to explain the accounting treatment.

Stock

Stocks of fuel and replacement vehicle parts are valued at the lower of cost and net realisable value.

Pension contributions

The charity operates two defined contribution pension schemes for its employees. The assets of the schemes are held separately from those of the charity in two independent funds.

The pension costs included in the financial statements represent the amount of contributions payable in respect of the accounting period.

Notes to the financial statements 31 December 2009

1 Events and similar activities

	Unrestricted funds £	Restricted funds £	2009 Total funds £	2008 Total funds £
UK Day of Champions	184,204	—	184,204	238,914
Other UK motorcycling events	149,738	—	149,738	91,288
Sales of goods and donated assets	2,841	—	2,841	29,531
Fundraising branches motorcycling events	93,164	—	93,164	73,652
Total	429,947	—	429,947	433,385

2 Donations

	Unrestricted funds £	Restricted funds £	2009 Total funds £	2008 Total funds £
UK donations				
.Individuals	146,361	43,280	189,641	361,226
.Groups	18,453	6,403	24,856	25,319
.Corporations	44,258	4,800	49,058	191,682
.Partnership	33,707	—	33,707	62,856
US donations	170,850	—	170,850	53,782
European fundraising branches	25,840	—	25,840	51,740
Total	439,469	54,483	493,952	746,605

3 Grants receivable

	Unrestricted funds £	Restricted funds £	2009 Total funds £	2008 Total funds £
The Dowager Countess Eleanor Peel Trust	—	—	—	5,000
The Bill and Melinda Gates Foundation	—	803,339	803,339	36,410
Other grants UK	35,105	105,395	140,500	82,076
Riders US grants	—	—	—	29,670
The Skoll Foundation Zimbabwe grant	—	—	—	24,683
The Skoll Foundation award	180,993	—	180,993	—
The Skoll Foundation TAM grant	—	—	—	194,485
The Garden Trust	—	—	—	27,366
The Nuffield Foundation	—	14,727	14,727	17,784
The Venture Partnership Foundation	—	—	—	25,000
A & E Ferguson Trust	—	10,000	10,000	—
Mazaars	—	14,100	14,100	—
Foster Wood Foundation	10,000	7,000	17,000	—
The Venture Partnership Foundation - Gambia	—	—	—	7,500
World Health Organization/Canadian International Development Agency – Lesotho	73,352	—	73,352	28,029
Total	299,450	954,561	1,254,011	478,003

Other grants include amounts from donors who wish to remain anonymous, which included individual grants of £75,366.

4 Interest receivable

	Unrestricted funds £	Restricted funds £	2009 Total funds £	2008 Total funds £
Bank interest receivable				
. UK	243	13,472	13,715	15,481
. Gambia	15,072	—	15,072	4,913
. Zimbabwe	3	—	3	31
. USA	3,698	—	3,698	5,414
. Other	2,776	—	2,776	—
Total	21,792	13,472	35,264	25,839

5 Incoming resources from charitable activities

	Unrestricted funds £	Restricted funds £	2009 Total funds £	2008 Total funds £
Logistics				
Lesotho – Elton John Foundation	—	121,537	121,537	231,837
Zimbabwe – Ministry of Health and other organisations	100,868	—	100,868	22,446
Nigeria – United Nations and other organisations	57,151	—	57,151	92,530
Gambia – Department of State for Health and Social Welfare	1,041,385	2,489	1,043,874	678,516
Zambia (Eastern Province) – Lundin Foundation	—	97,786	97,786	—
Training	20,206	—	20,206	6,442
Other logistics income	23,890	—	23,890	61,958
Total	1,243,500	221,812	1,465,312	1,093,729

6 Other incoming resources

	Unrestricted funds £	Restricted funds £	2009 Total funds £	2008 Total funds £
Rental income	12,408	—	12,408	13,815
Insurance claims and subsidies	65	—	65	444
Foreign exchange gains (see note 13)	179,854	(7,951)	171,903	238,938
Miscellaneous income	30,962	300	31,262	12,001
	223,289	300	215,638	265,198

7 Cost of generating funds – fundraising

	Unrestricted funds £	Restricted funds £	2009 Total funds £	2008 Total funds £
Non-UK fundraising branch costs	130,789	—	130,789	18,656
Direct fundraising costs	43,785	655	44,440	23,014
Staff costs	71,646	19,107	90,753	85,532
Travel	40,854	2,056	42,910	56,113
Office overheads	8,634	—	8,634	9,791
Support costs	41,684	6,089	47,773	40,571
Total	337,392	27,907	365,299	233,677

The above staff costs relate to grant applications and activities for generating donations.

8 Cost of generating funds - events and similar activities

	Unrestricted funds £	Restricted funds £	2009 Total funds £	2008 Total funds £
UK events				
Cost of goods for resale	8,394	—	8,394	5,864
Direct event costs	154,306	431	154,737	106,860
Staff costs	59,796	—	59,796	58,396
Travel	21,705	—	21,705	15,373
Office overheads	11,903	—	11,903	12,362
Support costs	43,669	—	43,669	42,502
European events	55,075	—	55,075	67,846
	354,848	431	355,279	309,203

9 Charitable activities

	Unrestricted funds £	Restricted funds £	2009 Total funds £	2008 Total funds £
Logistics				
Logistics & direct programme costs	1,259,437	838,500	2,097,937	1,226,953
Programme development	16,490	—	16,490	158,635
Staff costs	114,464	194,105	308,569	272,315
Travel	11,425	70,626	82,051	53,013
Office overheads	10,547	32,992	43,539	31,684
Support costs	156,880	91,330	248,210	152,690
Total logistics	1,569,243	1,227,553	2,796,796	1,895,290

9 Charitable activities (continued)

	Unrestricted funds £	Restricted funds £	2009 Total funds £	2008 Total funds £
Advocacy and education				
Awareness raising costs	29,036	11,697	40,733	37,612
Monitoring and evaluation	—	149,787	149,787	—
Advocacy events	501	976	1,477	89
Staff costs	90,256	109,473	199,729	123,841
Vehicle costs	1,181	414	1,595	1,101
Office overheads	7,758	5,195	12,953	8,444
Support costs	59,561	24,355	83,916	57,970
Total advocacy and education	188,293	301,897	490,190	229,057
Grand total charitable activities	1,757,536	1,529,450	3,286,986	2,124,347

10 Support costs

The following table shows the support costs incurred by Riders. Support costs relate to the cost of providing finance, IT, HR and administration support to enable Riders to function effectively as an organisation. These support costs are allocated to the different areas of Riders' activities as outlined in the second table.

The growth in Riders' restricted grant income has required Riders to develop its organisational structures and systems to ensure the growth is strong and stable. Therefore in 2009 Riders allocated support costs directly between restricted and unrestricted funds. The activities that the unrestricted support costs facilitate are different to the activities the restricted support costs facilitate (most notably expanding M&E activities and facilitating new programme development) – therefore different percentages have been applied to allocate support costs to Riders' activities. For both areas, support costs are allocated using support staff time spent as a basis of allocation. The split is shown in the table below, and the combined allocation percentage is shown in the second table.

	Unrestricted funds £	Restricted funds £	2009 Total funds £	2008 Total funds £
Staff costs and recruitment	129,712	51,770	181,482	145,202
Travel and accommodation	1,850	—	1,850	2,565
Premises	58,230	26,687	84,917	53,164
IT & Telecommunications	31,077	11,251	42,328	39,874
Office running costs	14,597	4,501	19,098	15,690
Vehicle costs	10,144	6,385	16,529	9,867
Finance	36,624	—	36,624	9,783
Depreciation	20,106	17,735	37,841	22,996
Other support costs	7,191	3,446	10,637	2,056
	309,531	121,775	431,306	301,197

Notes to the financial statements 31 December 2009

10 Support costs (continued)

The above support costs are allocated as follows:

	2009 %	2009 £	2008 %	2008 £
Cost of generating funds				
. Fundraising	11.08	47,773	13.48	40,571
. Events and similar activities	10.12	43,669	14.12	42,502
Charitable activities				
. Logistics	57.55	248,210	50.69	152,690
. Advocacy and education	19.46	83,916	19.25	57,970
Governance	1.79	7,738	2.46	7,464
	100.00	431,306	100.00	301,197

11 Governance

	Unrestricted funds £	Restricted funds £	2009 Total funds £	2008 Total funds £
Legal, professional and accounting fees	70,660	5,339	75,999	50,373
Support costs	7,738	—	7,738	7,464
Staff costs	7,415	—	7,415	—
Other governance costs	2,795	—	2,795	2,449
Total	88,608	5,339	93,947	60,286

Governance costs have increased due to Riders registering in all 50 US states to facilitate Riders' US expansion.

12 Net movement in funds

This is stated after charging:

	2009 £	2008 £
Staff costs (note 14)	1,197,614	982,323
Depreciation (note 16)	512,731	176,815
Auditors' remuneration		
. Audit – overall charity and UK branch current year	31,890	33,350
. Audit – overall charity and UK branch underprovision in prior years	—	8,018
. Audit – branches	19,723	15,899
Operating lease charges	45,901	29,375

13 Exchange rate gains and losses

	Unrestricted funds £	Restricted funds £	2009 total funds £	2008 total funds £
Gambia	228,060	(7,951)	220,109	9,752
Germany	(40)	—	(40)	6
Holland	688	—	688	1,294
Italy	—	—	—	667
Kenya	16,146	—	16,146	—
Lesotho	(5,516)	—	(5,516)	2,205
Nigeria	13,346	—	13,346	(11,070)
Spain	(13,220)	—	(13,220)	43,041
UK	(26,331)	—	(26,331)	77,122
USA	(41,085)	—	(41,085)	96,948
Zimbabwe	2,743	—	2,743	18,973
Zambia	5,063	—	5,063	—
Total	179,854	(7,951)	171,903	238,938

14 Staff costs

	2009 £	2008 £
Wages and salaries	1,015,235	827,714
Employer's national insurance	76,647	59,721
Pension costs	76,842	57,426
Recruitment and training	10,847	12,316
Other staff costs	18,043	25,146
	1,197,614	982,323

Staff costs per function were as follows:

	2009 £	2008 £
Cost of generating funds		
. Fundraising	136,703	101,413
. Events and similar activities	59,796	58,396
Charitable activities		
. Logistics - direct	303,922	281,157
. Logistics – management and oversight	308,569	272,315
. Advocacy and education	199,729	123,840
Support costs	181,480	145,202
Governance	7,415	—
	1,197,614	982,323

14 Staff costs (continued)

The average number of employees, analysed by function was:

	2009	2008
	No.	No.
Cost of generating funds	7	7
Charitable activities	284	247
Support costs	7	6
	298	260

Two employees earned between £70,000 and £80,000 per annum (excluding pension contributions and including benefits) during the year (2008 - two between £60,000 and £70,000).

Employee contributions totalling £41,193 were made to a defined contributions pension scheme in respect of those two employees.

No trustee received any remuneration in respect of their services as a trustee during the year (2008 - £nil).

£nil out-of-pocket expenses were reimbursed to trustees during the year (2008 - £674).

A relative of one trustee was employed on a temporary contract to assist Riders in developing our M&E activities. The recruitment was through Riders' normal channels and payment was in line with market rates for equivalent roles.

15 Taxation

Riders for Health is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

16 Tangible fixed assets

	Land and buildings £	Motor vehicles £	Fixtures and equipment £	Total £
Cost				
At 1 January 2009	236,575	1,010,417	416,533	1,663,525
Additions	92,715	1,163,242	128,775	1,384,732
Disposals	—	(14,421)	(177,824)	(192,245)
At 31 December 2009	<u>329,290</u>	<u>2,159,238</u>	<u>367,484</u>	2,856,012
Depreciation				
At 1 January 2009	25,548	351,654	276,207	653,409
Charge for year	5,235	441,669	65,827	512,731
Disposals	—	(12,818)	(171,187)	(184,005)
At 31 December 2009	<u>30,783</u>	<u>780,505</u>	<u>170,847</u>	982,135
Net book values				
At 31 December 2009	<u>298,507</u>	<u>1,378,733</u>	<u>196,637</u>	1,873,877
At 31 December 2008	<u>211,027</u>	<u>658,763</u>	<u>140,326</u>	1,010,116

In addition, assets with a value of £nil were in transit at the year end (2008 - £45,842).

The net book value of land and buildings comprises the following:

	2009 £	2008 £
Freehold interest	89,876	91,734
Long term leasehold	195,313	105,666
Short term leasehold	13,318	13,627
	<u>298,507</u>	<u>211,027</u>

The net book value of land and buildings includes a building under construction in Zimbabwe, which will be depreciated once complete.

17 Investments

	2009 £	2008 £
Investments in subsidiary undertaking	<u>1</u>	<u>1</u>

Riders for Health owns the entire issued ordinary share capital of Riders for Health (Trading) Limited, a company incorporated in England and Wales (registration no. 3875608). The company did not trade during the year under review.

Financial statements for the company will be filed with the Registrar of Companies in due course.

Notes to the financial statements 31 December 2009

18 Debtors

	2009 £	2008 £
Trade debtors	128,684	83,790
Prepayments and accrued income	120,700	53,590
Other debtors	28,510	22,044
	277,894	159,424

19 Creditors: amounts falling due within one year

	2009 £	2008 £
Bank overdraft and loan (see note 20)	4,564	4,094
Programme creditors	178,088	229,799
Other taxation and social security	32,639	21,367
Other creditors	68,556	29,274
Accruals	106,989	63,674
Deferred income	1,645,203	2,640,794
TAM bridging loan (see note 20(a))	—	260,396
TAM main loan (see note 20(a))	278,514	72,150
	2,314,533	3,321,548

Funding was received from The Bill and Melinda Gates Foundation towards the end of 2008, of which £1,645,203 was unspent at the year end (2008 - £2,640,794) and has been deferred until expenditure is incurred and delivery targets are met in 2010.

Other creditors include a £20,000 loan from the JPT Charitable Trust. The loan is at a zero rate of interest. Nick Pitts-Tucker is trustee of JPT Charitable Trust and of Riders.

20 Creditors: amounts falling due after more than one year

	2009 £	2008 £
Bank loans		
. Within one to two years	283,411	128,080
. Within two to five years	643,599	375,952
. After five years	15,602	24,745
Other loans		
. Netherlands	6,566	7,106
	949,178	535,883

20 Creditors: amounts falling due after more than one year (continued)

20 (a) Loans

	2009		
	Gambia TAM main loan £	Other loans £	Total loans £
Loans			
. Within one year	278,514	4,564	283,078
. Within one to two years	278,514	11,463	289,977
. Within two to five years	626,657	16,942	643,599
. After five years	—	15,602	15,602
	1,183,685	48,571	1,232,256

During 2009 Riders received the second tranche of a loan of US\$1,400k from GT Bank in the Gambia, underwritten by the Skoll Foundation, with a variable interest rate capped at 8%. The total loan drawn down was \$2,200k. This loan is repayable in monthly instalments over a five year term after an initial six month period with no repayment, with repayment commencing during October 2009. The total loan facility available from GT Bank is US\$3.5m. The total outstanding at 31 December 2009 was £1,183,686 (2008 - £48,432).

The UK bank loan is with HSBC plc, for a period of 20 years, and carries interest of 2% above base rate. The loan is secured on the charity's freehold property in the UK.

21 Lease commitments

Future annual rental commitments under operating leases are:

	Office equipment		Land and buildings	
	2009 £	2008 £	2009 £	2008 £
Leases which expire:				
. In one year	—	—	6,600	29,375
. In one to two years	6,900	—	—	2,031
. In two to five years	—	—	29,740	—

The lease expiring within one year relates to the property Riders UK rents in Daventry. The lease expiring within two to five years relates to the property Riders UK rents in Pitsford. The rent on the UK office includes a rent free period until 24 June 2010.

22 Restricted funds

	At 1 January 2009 £	Incoming resources £	Expenditure £	At 31 December 2009 £
Allan & Nesta Ferguson Charitable Trust	—	10,000	(10,000)	—
The Dowager Countess Eleanor Peel Trust	5,000	—	(3,385)	1,615
Enduro bikes	171,833	—	(59,963)	111,870
Honda donation	14,578	—	(7,288)	7,290
Mazars Charitable Trust	—	14,100	(8,743)	5,357
The Nuffield Foundation	18,698	14,727	(7,787)	25,638
Zimbabwe appeal	17,826	42,874	(39,151)	21,549
Other	14,453	81,390	(83,067)	12,776
Lundin Foundation	—	97,786	(92,213)	5,573
Zambia programme development	—	27,080	(5,532)	21,548
Barclays Capital	58,206	—	(58,206)	—
CBRE – Kenya	10,690	—	(5,078)	5,612
Virgin	42,082	—	(34,642)	7,440
Foster Wood Foundation	—	7,000	(3,701)	3,299
Kenya programme development	—	16,604	(1,497)	15,107
Elton John Aids Foundation	57,559	121,537	(149,784)	21,212
The Skoll Foundation TAM grant	145,736	—	(79,073)	66,663
Vehicle replacement fund – Gambia	155,246	(5,462)	(157,735)	—
The Venture Partnership Foundation Gambia	7,500	—	(2,000)	5,500
Friends of Masasi Mara	8,480	—	(3,935)	4,545
Uhuru Rotary	4,179	5,702	(1,495)	8,386
USA grants	29,670	—	—	29,670
The Bill and Melinda Gates Foundation	—	803,339	(748,703)	54,636
	761,736	1,236,677	(1,563,127)	435,286

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

Zimbabwe

- ◆ The Allan & Nesta Ferguson Charitable Trust gave a grant towards developing Riders' Zimbabwe programme.
- ◆ The Dowager Countess Eleanor Peel Trust – Funds to support Riders' programme in Zimbabwe.
- ◆ The Enduro bikes consist of 246 motorcycles to be used by healthcare professionals in Zimbabwe managed under the Riders for Health logistics system.
- ◆ Honda fund consists of 75 motorbikes to be used by healthcare professionals in Zimbabwe and managed under the Riders for Health logistics system.
- ◆ The Mazars Charitable Trust gave a grant towards Riders' Zimbabwe programme and apprentice training.
- ◆ The Nuffield Foundation fund comprises grants to provide bursaries at the IAVM.

22 Restricted funds (continued)

Zimbabwe (continued)

- ◆ Zimbabwe appeal is funding from a postal appeal towards Riders' Zimbabwe programme.
- ◆ The other funds include several grants received for community transport in Zimbabwe and other programmes support where either the donors have requested anonymity or the value of the grant was beneath Riders' threshold for reporting it separately.
- ◆ Riders continues to maintain a national network of workshops and the IAVM – Riders training centre in Zimbabwe and manages a large number of vehicles, though many of these vehicles are travelling less kilometres than their historic usage levels.

Zambia

- ◆ The Lundin Foundation made a grant to enable Riders to set up operations in the Eastern Province of Zambia – and to mobilise health workers within the Province.
- ◆ Zambia programme development includes several smaller grants and donations to support Riders' programme within Eastern Province.

Kenya

- ◆ Barclays Capital – Funds to purchase and run a fleet of motorcycles in Kenya and Tanzania for CBOs (Community Based Organisations) delivering healthcare.
- ◆ CBRE – Funds to purchase and run two motorcycles in Kenya for CBOs (Community Based Organisations) delivering healthcare.
- ◆ Funding was received from Virgin to purchase and manage a fleet of 24 motorcycles allocated to community based organisations in Kenya and Tanzania.
- ◆ The Foster Wood Foundation gave a grant towards Riders' CBO programme in Kenya.
- ◆ Kenya programme development includes several smaller grants to support Riders' programme working with CBOs in Kenya.

Lesotho

- ◆ The Elton John Aids Foundation provided a grant to setup and run 120 motorcycles in Lesotho, in partnership with the Ministry of Health and other agencies.
- ◆ The Elton John Aids Foundation provided an additional grant to fund monitoring and evaluation work to assess the impact of the health worker mobilisation in Lesotho.

Gambia

- ◆ The Skoll Foundation made a separate grant to support the implementation of Riders' TAM programme in the Gambia.

22 Restricted funds (continued)

Gambia (continued)

- ◆ The vehicle replacement fund (Gambia) comprises income receivable from the Department of State for Health and Social Welfare in Gambia and Gambia Ports Authority to be used for the replacement of vehicles in the logistics programme in Gambia.
- ◆ The Venture Partnership Fund Gambia links grant is to enable VPF stakeholders to visit and observe Riders' Gambia programme to develop enhanced links.

Partners

- ◆ The Friends of the Masasi fund comprises income received to cover the capital and revenue costs of a small fleet of motorcycles used for health care delivery in Tanzania.
- ◆ Uhuru Rotary is funding towards Riders' Uhurus (a specialist sidecar). The Uhurus are used by communities for transport and income generation.
- ◆ USA grants are funding received towards Riders' Zimbabwe programme.

Cross programme

- ◆ The Bill and Melinda Gates Foundation grant is a five year grant to evaluate and prove the impact of Riders' models and also to develop Riders' organisation and replicate Riders' programmes.

23 Designated funds

	At 1 January 2009 £	New designations £	Released £	At 31 December 2009 £
Fixed asset fund	472,354	1,192,488	(1,111,517)	553,325

The fixed asset fund represents the net book value of the charity's unrestricted tangible fixed assets. Such assets are essential to the ongoing work of the charity and their net book value should not, therefore, be considered as funds available to meet everyday costs or contingencies.

24 Analysis of net assets between funds

	Restricted funds £	Unrestricted funds		Total 2009 £
		Designated funds £	General funds £	
Fund balances at 31 December 2009 are represented by:				
Tangible fixed assets	99,426	1,774,451	—	1,873,877
Investments	—	—	1	1
Net current assets	335,860	(271,948)	375,783	439,695
Creditors: amounts falling due after more than one year	—	(949,178)	—	(949,178)
Total net assets	435,286	553,325	375,784	1,364,395

An analysis of the currency in which the net movement in funds is generated is shown in note 26.

25 Pension costs

During the year the charity operated one defined contribution pension scheme and one group personal pension scheme for employees. The assets of the pension schemes are held separately from those of the charity in independent funds.

The pension cost charge represents contributions payable by the charity to the fund amounting to £75,222 (2008 - £46,083).

Unpaid pension contributions at 31 December 2009 total £2,564 (2008 - £1,916).

Notes to the financial statements 31 December 2009

26 Foreign exchange exposure

At 31 December 2009 the net assets of the charity were denominated in local currencies as follows:

Local currency	UK £	USA US\$	Euro EUR	Gambia GMD	Kenya KES	Lesotho LSL	Nigeria NGN	Zimbabwe* ZIM\$	Zambia ZMK	Total £
Exchange rate at 31 December 2009	1	1.59	1.11	42	115	11.6	236	1.59	7,321	
	£	£	£	£	£	£	£	£	£	£
Fixed assets	178,800	275	4,463	1,160,336	127,025	27,955	21,071	303,244	50,709	1,873,878
Current assets	1,888,524	366,831	136,918	273,790	6,054	17,991	11,119	47,416	5,605	2,754,248
Current liabilities	(1,836,412)	(273)	(1,285)	(361,606)	—	(12,789)	(82,216)	(19,972)	—	(2,314,553)
Net current assets	52,112	366,558	135,633	(87,816)	6,054	5,202	(71,097)	27,444	5,605	439,695
Creditors over 1 year	(37,440)	—	(6,566)	(905,172)	—	—	—	—	—	(949,178)
Total net assets at 31 December 2009	193,472	366,833	133,530	167,348	133,079	33,157	(50,026)	330,688	56,314	1,364,395
Net assets at 31 December 2009 restated at 30 June 2010 exchange rates	193,472	387,119	120,104	162,862	129,197	33,618	(52,967)	348,975	53,611	1,375,991
Exchange rate at 30 June 2010	1	1.51	1.23	43	118	11.4	230	1.51	7,690	
Exchange rate at 1 January 2009	1	1.45	1.03	39	104	13.7	200	N/A	N/A	

The net movement in funds for the year is generated in local currencies as follows:

Net movement in funds	UK £	US \$	Operational Programmes	Euro €	Total £
Increase/(decrease)	(282,669)	(5,626)	145,194	(64,286)	(207,387)

* The Zimbabwe dollar was rebased during 2008, following which 10,000,000,000 old Zimbabwe dollars became worth 1 new Zimbabwe dollar. In 2009 Zimbabwe has moved to hard currency, with US dollars now being the trading currency.