

Registered charity number: 1074849
Company No: 3716796

A V E R T
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2008

**AVERT
TRUSTEES' REPORT AND ACCOUNTS
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AVERT
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2008

The trustees are pleased to present their report along with the audited financial statements of the charity for the year ended 31st March 2008.

Reference and Administrative Information

Charity Number 1074849

Accounts

The accounts are prepared in accordance with the Companies Act 1985, the governing document and the Statement of Recommended Practice-Accounting and Reporting by Charities (SORP 2005).

Company Number 3716796

Trustees

The trustees serving during the year were as follows:

Peter J Kanabus (Chairman)
Simon Forrest
Annabel Kanabus
Richard H J Venables Kyrke
Gemma Lass
Andrew Mutandwa (resigned 7th October 2007)
Louis Pattichi

Offices

Principal Office & Registered Office

4 Brighton Road
Horsham
West Sussex
RH13 5BA

Company Secretary

Simon Forrest

Bankers

Barclays Bank plc
2 Carfax
Horsham
West Sussex RH12 1DN

Abbey National Building Society
1 South Street
Horsham
West Sussex RH12 1EL

Investment Managers

J.M. Finn & Co.
Salisbury House, London Wall
London EC2M 5TA

AVERT
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008

Reference and Administrative Information (Continued)

Auditors

Horwath Clark Whitehill LLP
St. Bride's House
10 Salisbury Square
London EC4Y 8EH

Solicitors

Thomas Eggar
Belmont House
Station Way, Crawley
West Sussex RH10 1JA

Structure, Governance and Management

Governing Document

AVERT is an international non-governmental, non-political, non-religious organisation established in 1986. Initially constituted as a charitable trust, it changed to being a company limited by guarantee in 1999, and is governed by its Memorandum and Articles of Association dated 9th February 1999. In the event of the company being wound up the guarantee of each member is limited to £1. The directors of the company are also charity trustees for the purposes of charity law.

Organisation

The trustees as a group are responsible for the administration of the charity and the Articles of Association require there to be at least 5 trustees and not more than 12. The trustees aim to meet at least every three months and they are responsible for all major financial decisions, and the establishment of major policies. Day to day management of the charity has been delegated to one of the trustees, Annabel Kanabus, who acts unpaid as the charity's Chief Executive.

Appointment and Training of Trustees

The trustees regularly review the skills and experience they have, and various action has been taken over the last few years to appoint additional people. This has included advertising, in order that a wider range of experience is included amongst the trustees, as well as approaching selected individuals in the circumstances that some specific additional skill was desirable.

On appointment new trustees are required to confirm that they have received and read the Charity Commission's leaflet on the Responsibilities of Trustees, and also that they are not disqualified from acting as a trustee. They are also provided with various documents about the charity including the Memorandum and Articles of Association.

New trustees are also invited to meet with the Chief Executive and the staff in order to learn more about the current work of the charity. More formal trustee training is also made available to both new and existing trustees.

Risk Management

The trustees have examined the principal areas of the charity's operations and considered what major risks may arise in each of these areas. In the opinion of the trustees the charity has established resources and review systems which, under normal conditions, should allow the risks identified by them to be mitigated to an acceptable level in its day to day operations.

AVERT
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008

Objectives & Activities

The original objects of AVERT were the advancement of public education and research into HIV/AIDS. In view of the developments that have taken place as a result of research into HIV/AIDS, the objects also now include, as decided by the trustees and as allowed by the Memorandum and Articles of Association, the relief of sickness from HIV/AIDS.

The overall aim of AVERT is to prevent people from becoming infected with HIV, and to improve life for those already infected. Faced with a global epidemic, and with massive resources being spent worldwide, the trustees have needed to consider carefully how AVERT's limited financial resources can most effectively be spent, and the activities to be undertaken.

The decision of the trustees is that AVERT should work towards its aim through three main activities.

- 1) The operation of the website www.avert.org, which is carried out by AVERT's own staff
- 2) HIV/AIDS prevention, treatment, care, and research projects outside of the UK which are carried out through AVERT making grants to and working with other organisations.
- 3) HIV/AIDS Information and Advocacy work, which is also carried out by AVERT's own staff

Activities, Achievements and Performance

The website www.avert.org

The aims of the AVERT.org website continue to be:

- 1) To raise awareness and improve understanding of HIV and AIDS
- 2) To advocate for better responses
- 3) To prevent people from becoming infected
- 4) To provide help and advice

Achievements

During the course of the year [avert.org](http://www.avert.org) became the most popular HIV/AIDS related web site in the world, and was among the 20,000 most popular sites on the web worldwide, considered across all topics and countries. By the end of the year more than 250,000 visits were being made to the site each week. The popularity of the site is only one indicator of the effect that the site is having, but along with other measurements it suggests that the site is continuing to have a considerable impact, although as with any information based website it is of course impossible to measure this exactly.

"I am a middle school teacher ...I have been using your website as a teaching tool and site. It is such a wonderful resource. Thank you so much for offering this information to the public in such an easy to use way. The information you present was by far the best presentation for my students, You make difficult things much easier for them to understand".

"Avert's website is incredible – everyone should read it. I have just been working with HIV positive people in Africa and it helped immensely. Continue your good work"

The site now comprises more than 200 pages with a Spanish language section being an important new addition. The ever popular quizzes have been improved and increased in number, and there has been a major expansion and redesign of the photo gallery which now features more than a thousand images from seventy four countries.

AVERT
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008

In addition pages have been optimised to make sure that they rate highly in search engines and AVERT's own content management system has been further improved to make updating of the site as efficient as possible. Although the updating of the site is increasingly efficient, there has still needed to be an increase in the staff actually carrying out the writing of material for the site, although other costs have remained about the same.

The trustees believe that AVERT.org continues to be a highly cost effective and efficient way of providing information and education to a global audience.

HIV/AIDS prevention, treatment, and care projects outside of the UK

Grant Making Policy

AVERT's grant making policy for prevention, treatment and care projects, is that grants are provided for projects in countries where there is a particularly high rate, or a particularly increasing rate, of HIV infection. Internationally there continues to be large, although still insufficient, sums of money provided for HIV/AIDS. So rather than fund any one specific HIV/AIDS activity, the trustees have decided to provide grants for prevention, treatment or care work that has the following characteristics:

- 1) The project will have a direct impact on those most affected by HIV/AIDS
- 2) The project is effectively and efficiently run
- 3) Both the organisation and implementation of the work is carried out by local people
- 4) It is practical for someone from AVERT to be able to visit the project.

With regard to the amount of money provided for each grant, this is very variable, with no lower limit, and a maximum annual figure at least initially of around £20,000 per year. Grants are generally given for two years and for a maximum of three.

The availability of such funding is advertised on the AVERT website, and new projects are also actively sought out by AVERT's chief executive.

Prevention, Treatment and Care Projects

At the beginning of the 2007/8 year AVERT was providing financial support for six HIV and AIDS education, treatment and care projects in South Africa. Two of these projects, the Sisonke and Tholulwazi projects, are large scale community projects which AVERT helped to start, and which continued to be further supported and developed during the year.

It is believed that the impact of the Sisonke project in particular is considerable, and as the Director of the Department of Social Responsibility, of the Diocese of Grahaamstown said:

"There are literally thousands of people, who although unknown to you, are nevertheless finding new hope and solutions because of the contribution of AVERT. These people are living and dying with HIV, but are being helped to find significance, greater health and hope. Thank you for this. It means more than I can actually ever tell you."

The small Mpfuxelelo project at Tintswalo hospital was also supported during the year, and a major expansion of the project is now planned which will take place in 2008/9.

During the course of the year two new projects were started in South Africa. These are home based care in the Missionvale township, which is organised by the Missionvale Health Centre, and Manguzi Mission being provided with money for dual therapy for HIV positive pregnant women.

In addition to the projects in South Africa, AVERT has also continued to support the Namulaba community prevention project in Uganda, as well as funding a research trial to evaluate the use of circumcision for HIV prevention. Two new HIV and AIDS projects have also been started in Tamil Nadu, India.

AVERT
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008

Project Monitoring & Performance

Measuring the performance of projects can be difficult, particularly when they are outside the UK, but each project has a series of activities planned which is the basis for the provision of the grant from AVERT. Performance against these activities is then monitored closely. Monitoring usually involves projects submitting three monthly reports of both activities and expenditure to AVERT. In addition significant correspondence by email often takes places between reports. Projects are also visited regularly with all of AVERT's main projects having been visited during the last year.

The trustees are satisfied that the performance of almost all of AVERT's projects has been very good over the last year, and has resulted in considerable benefit to the local communities. It has been particularly pleasing to see the continuing development of the Sisonke and Tholulwazi projects in South Africa, as well as the planning of a major new initiative at Tintswalo hospital.

Information & Advocacy

Through its Information & Advocacy work AVERT promotes and encourages the provision of accurate and non discriminatory information on HIV/AIDS, as well as advocating for the provision of prevention, treatment and care programs. Some of this work is carried out through AVERT's contact with the media, both UK and international, who contact AVERT seeking our advice and opinion on many different aspects of the epidemic.

During the year increased staffing of the Information Service meant that for the first time AVERT was able to be more proactive in putting across important information messages, and the summer of 2007 saw AVERT's launch of it's "Stop AIDS in Children Campaign", complete with a video produced by AVERT to highlight the issue. Three hundred thousand children die of AIDS each year, and the campaign focuses on the need for improvement of prevention of mother to child transmission (PMTCT) services in countries highly affected by AIDS, with the aim by 2010 of halving the number of children dying each year.

There was particularly close collaboration during the year between the advocacy work at AVERT and the grants program, as a result of the provision of a grant to Manguzi Mission to provide AZT for HIV positive pregnant women. When the doctor concerned, Dr Colin Pfaff, was informed that he might be disciplined by the KwaZulu Natal provincial government for providing this dual therapy for PMTCT, AVERT worked closely with a variety of organisations in South Africa to both support the Dr Pfaff and also to advocate for the provision of dual therapy for HIV positive pregnant women throughout South Africa. Shortly afterwards dual therapy funded by the government became available throughout South Africa, and the AZT funded by AVERT was no longer needed.

"Thank you again so much for all your support around PMTCT. I am not sure you realise how much of a stir here this has caused, with a lot of media attention, and generally renewed energy of health care workers to focus on PMTCT" Colin Pfaff

AVERT
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008

Financial Review

AVERT's income comes from three main sources:

- 1) Voluntary income
- 2) Investment income from AVERT's expendable endowment
- 3) Rental of the spare space in AVERT's office building

AVERT's voluntary income came to £277,996 which is the largest amount the charity has ever received in one year. However, the majority of the money, £211,639, came from unrestricted legacies, with just £66,357 received from individual and community donors. So as legacy income is very unpredictable, there is going to be a continuing need for AVERT to raise money from individuals, communities and trusts.

It continues to be the policy of the trustees not to accept money from any pharmaceutical companies, or indeed from any other source, where the taking of the money might prejudice or even appear to prejudice the impartiality of the HIV/AIDS information provided by AVERT, and hence might harm AVERT's reputation.

Spending on overseas projects was as planned higher than in previous years and there was also a planned increase in Information and Advocacy costs. The very small difference between incoming and expended resources was met by taking money from the expendable endowment as planned.

The expendable endowment was given to AVERT by Peter and Annabel Kanabus in 1989. It is currently the trustees' policy that in view of the severity of the AIDS epidemic, they are prepared to use up to 5% of the expendable endowment in any one year to meet any difference between total incoming resources and resources expended. It is anticipated that 5% might be needed in 2008/9.

Investment Powers, Management & Performance

Under the Memorandum and Articles of Association, the charity has the power to invest in any way the trustees wish.

Since the autumn of 2006 AVERT's investments have been managed by J. M. Finn. It has been agreed with J. M. Finn that with regard to performance comparisons, the portfolio as a whole will be compared to the WM Constrained by Income Index.

Over the last 12 months the AVERT portfolio total return decreased 1.67% as compared to the WM Charities Constrained by Income Index which decreased 3.8%, an out-performance of 2.1%. The UK equity element decreased 2.84% as compared to the FTSE All-Share (Total Return) Index which decreased 7.74%, an out-performance of 4.9%. The fixed income element of the portfolio increased 4.2% over the year compared to the FTA Govt (Total Return) Index which increased 7.58%.

The capital value of AVERT's investments decreased from £3,396,324 at 31st March 2007 to £3,198,039 at 31st March 2008.

AVERT
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008

Reserves Policy

AVERT's unrestricted expendable endowment has a value which is currently the equivalent of several years of AVERT's current total expenditure. The trustees consider that there is therefore no need to hold any reserves in addition to this.

Plans for the Future

AVERT's three existing activities provide a sound basis for the charity's work in the future, and although the trustees will keep the activities under review as new opportunities may arise, there are no immediate plans to undertake any new activities.

With the website currently being visited by over 10 million people a year, it is probably unrealistic to aim to reach more people, although it is possible that this might happen as a result of increasing visits to avert.org by people in India and China. The emphasis though over the next year is going to continue to be on improving the content, both with regard to updating the existing pages, as well as introducing new features. It is hoped that some of the new features will include more interactive content such as a game, as well as having increasing amounts of content in other languages.

With regard to the projects, AVERT now has several larger scale community projects in South Africa, and the emphasis for the next year will be ensuring that these continue to reach an increasing number of people, with services that are particularly relevant to them and the reality of their lives. In other Southern African countries AVERT has had less success in developing larger community projects, and so this will be one of the priorities for future development. However, it is important that AVERT does not become overextended with the projects, either financially or in terms of personnel.

The emphasis for the information and advocacy work over the next two years is going to be the continuation of the Stop AIDS in Children campaign, in order to reduce the number of children infected with HIV every year.

Auditors

Horwath Clark Whitehill LLP have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment will be submitted to the forthcoming Annual General Meeting.

AVERT
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008

TRUSTEES' RESPONSIBILITIES FOR THE ACCOUNTS

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare Accounts for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing Accounts giving a true and fair view, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the Accounts and
- prepare the Accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and which enable them to ensure that the Accounts comply with the Companies Act 1985. 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.

The trustees are responsible for the maintenance and integrity of the corporate 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.

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

Approved by the trustees on
and signed on their behalf by

Trustee



29/09/08

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF AVERT

We have audited the financial statements of AVERT for the year ended 31 March 2008 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes set out on pages 10 to 19. These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 12 and 13.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective Responsibilities of the Directors and Auditors

The responsibilities of the directors, who are also the charity trustees for the purposes of charity law, for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Trustees' Responsibilities on page 8.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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

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

Basis of Opinion

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

We planned and performed our audit so as to obtain all 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 the information in the financial statements.

Unqualified Opinion

In our opinion, the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charitable company as at 31 March 2008 and of its incoming resources and application of resources for the year then ended have been properly prepared in accordance with the Companies Act 1985, and the information given in the Trustees' Report is consistent with the financial statements.

Frank A. Whitehead CA
Chartered Accountants
and Registered Auditors

London
10 Salisbury Square
EC4Y 8EH

AVERT
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2008

Income and Expenditure	Note	Unrestricted Funds £	Restricted Funds £	Expendable Endowment £	2008 Total £	2007 Total £
Incoming resources						
Incoming resources from generated funds						
Voluntary Income:						
Donations received		53,931	12,426	-	66,357	104,413
Legacies		211,639	-	-	211,639	660
Investment income	2	105,691	-	-	105,691	125,448
Rental income		37,198	-	-	37,198	38,820
Other income		605	-	-	605	401
Total incoming resources		<u>409,064</u>	<u>12,426</u>	<u>-</u>	<u>421,490</u>	<u>269,742</u>
Cost of generating funds	3	<u>54,689</u>	<u>-</u>	<u>-</u>	<u>54,689</u>	<u>42,171</u>
Net incoming resources available for charitable application		<u>354,375</u>	<u>12,426</u>	<u>-</u>	<u>366,801</u>	<u>227,571</u>
Resources expended						
Charitable activities:						
AIDS educational website		158,764	800	-	159,564	145,212
HIV/AIDS overseas prevention, treatment, care and research		142,750	11,626	-	154,376	119,249
Information and advocacy		47,367	-	-	47,367	39,663
Governance costs		<u>9,594</u>	<u>-</u>	<u>-</u>	<u>9,594</u>	<u>10,498</u>
		<u>358,475</u>	<u>12,426</u>	<u>-</u>	<u>370,901</u>	<u>314,622</u>
Total resources expended	3	<u>413,164</u>	<u>12,426</u>	<u>-</u>	<u>425,590</u>	<u>356,793</u>
Net outgoing resources before transfers		(4,100)	-	-	(4,100)	(87,051)
Transfers		<u>4,100</u>	<u>-</u>	<u>(4,100)</u>	<u>-</u>	<u>-</u>
Net outgoing resources after transfers		-	-	(4,100)	(4,100)	
Realised (losses)/gains on Investments		-	-	(55,697)	(55,697)	43,352
		-	-	(59,797)	(59,797)	(43,699)
Unrealised (losses)/gains on Investments		-	-	(103,532)	(103,532)	160,591
Net movement in funds		-	-	(163,329)	(163,329)	116,892
Fund balances brought forward		-	-	4,334,757	4,334,757	4,217,865
Fund balances at 31 March 2008		<u>-</u>	<u>-</u>	<u>4,171,428</u>	<u>4,171,428</u>	<u>4,334,757</u>

The notes on pages 12 to 19 form part of these financial statements.

**AVERT
BALANCE SHEET
AS AT 31 MARCH 2008**

	Note	£	2008 £	2007 £
TANGIBLE FIXED ASSETS	5		763,205	774,568
INVESTMENTS	6		3,198,039	3,396,324
CURRENT ASSETS				
Debtors	7	27,787		25,203
Cash at bank and in hand		<u>203,979</u>		<u>160,862</u>
			<u>231,766</u>	<u>186,065</u>
Creditors: Amounts falling due within one year	8	<u>(21,582)</u>		<u>(22,200)</u>
NET CURRENT ASSETS			<u>210,184</u>	<u>163,865</u>
NET ASSETS			<u>4,171,428</u>	<u>4,334,757</u>
UNRESTRICTED FUNDS			-	-
RESTRICTED FUNDS			-	-
EXPENDABLE ENDOWMENT			<u>4,171,428</u>	<u>4,334,757</u>
			<u>4,171,428</u>	<u>4,334,757</u>

Approved by the Trustees and authorised for issue on
and signed on their behalf

PJ Hand) Trustees
29/09/08)

The notes on pages 12 to 19 form part of these financial statements.

AVERT
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2008

1. ACCOUNTING POLICIES

The accounts are prepared under the historical cost convention, modified by the inclusion of investments at market value, and in accordance with applicable Accounting Standards, the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005) and the Companies Act 1985.

a) Fixed Assets and Depreciation

All fixed asset additions are recorded at cost. The company capitalises all capital assets over £250. Depreciation is provided on all tangible fixed assets using rates and bases calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Land	- Nil
Buildings	- 2% per annum on cost
Motor vehicles, office equipment and fixtures and fittings	- 25% per annum on the reducing balance basis

b) Investments

Investments are included in the balance sheet at mid market value. Realised gains and losses on disposal and unrealised gains on investments are shown in the Statement of Financial Activities.

c) Income

- (i) Donations are included as received.
- (ii) Legacies are included when their amount and receipt is certain.
- (iii) Dividend income is included gross which includes the associated tax credit unless the tax so deducted is considered irrecoverable.
- (iv) Dividends are included as received.
- (v) Other income is included on a receivable basis.

d) Grants payable

These are only recorded when an invoice is received from the institution receiving the grant. Grants for which there is a conditional commitment are shown in note 9 to these accounts.

AVERT
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008

1. ACCOUNTING POLICIES (CONTINUED)

e) Expenditure

Expenditure is accounted for under the accruals concept.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Salaries and overheads are allocated between charitable expenditure headings according to the nature of the work performed by each member of staff. Depreciation is allocated over the expenditure headings on the basis of the use of the assets concerned.

Governance costs comprises costs associated with constitutional and statutory requirements of the charity.

f) Funds

The funds of the company comprise:

- Expendable endowment funds comprise an expendable endowment donated to the charity in 1989.
- Restricted funds, consisting of donations and legacies received which the donor has earmarked for a specific purpose.
- Unrestricted funds are expendable at the discretion of the trustees in furtherance of the objectives of the company.

2. INVESTMENT INCOME

	Total 2008 £	<i>Total 2007 £</i>
Listed investments UK	83,707	119,622
Listed investments Overseas	3,017	3,421
Bank deposit interest UK	6,906	2,405
	<u>105,691</u>	<u>125,448</u>

AVERT
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008

3. RESOURCES EXPENDED

2008	Staff Costs £	Depreciation Costs £	Other Costs £	Total £
Cost of generating funds				
Fund raising costs	19,388	-	9,435	28,823
Investment management costs	-	-	25,866	25,866
	19,388	-	35,301	54,689
Charitable Expenditure				
AIDS educational website				
Direct costs	108,508	-	5,558	114,066
Support costs	5,504	20,110	19,884	45,498
	114,012	20,110	25,442	159,564
HIV/AIDS overseas education, treatment and care				
Direct costs - grants	-	-	133,368	133,368
Support costs	8,846	2,873	9,289	21,008
	8,846	2,873	142,657	154,376
Information and advocacy				
Direct costs	30,220	-	4,147	34,367
Support costs	1,573	5,746	5,681	13,000
	31,793	5,746	9,828	47,367

AVERT
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008

3. RESOURCES EXPENDED (CONTINUED)

2007	Staff Costs £	Depreciation Costs £	Other Costs £	Total £
Cost of generating funds				
Fund raising costs	10,469	-	6,788	17,257
Investment management costs	-	-	24,914	24,914
	10,469	-	31,702	42,171
Charitable Expenditure				
AIDS educational website				
Direct costs	93,670	-	6,013	99,683
Support costs	6,144	18,459	20,926	45,529
	99,814	18,459	26,939	145,212
HIV/AIDS overseas education, treatment, care & research				
Direct costs - grants	-	-	99,470	99,470
Support costs	9,655	2,637	7,487	19,779
	9,655	2,637	106,957	119,249
Information and advocacy				
Direct costs	21,296	-	5,358	26,654
Support costs	1,756	5,274	5,979	13,009
	23,052	5,274	11,337	39,663

AVERT
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008

3. RESOURCES EXPENDED (CONTINUED)

There were 13 grants of £133,368 comprising the following grants to institutions (2007: 11 grants to institutions totalling £99,470).

	2008	2007
	£	£
South African Grants		
Tholulwazi Uzivikele, KwaZulu Natal	39,309	34,771
Sisonke Project, DSR, Eastern Cape	10,767	7,990
AIDS Hardship Fund, Diocese of Grahamstown, Eastern Cape		7,379
Missionvale Health Centre, Eastern Cape	17,368	-
Mpfuxelelo Project, Tintswalo Hospita, Mpumalanga	1,794	3,737
PMTCT, Manguzi Mission, KwaZulu Natal	16,097	-
Good Samaritan Home, Cradock, Eastern Cape	3,717	4,622
Manguzi Hospital, KwaZulu Natal	2,833	6,084
Other African Grants		
Queen Elizabeth Hospital, Malawi	-	6,409
Kachere Health Centre, Malawi	-	2,721
Department of Immunology, Mozambique National Institute of Health, Mozambique	-	13,906
Research trial to evaluate the use of circumcision for HIV prevention, Swaziland & Zambia.	-	-
	7,672	-
Namulaba - Uganda	6,377	3,037
The Butterfly Tree Zambia	2,041	-
Indian Grants		
Sangram, Transport & Migrant Workers Project	18,415	8,814
RWO, Community based care and support of PWHA	3,656	-
IRCDS, Prevention of HIV/AIDS among Mathammas	3,324	-
	<u>133,368</u>	<u>99,470</u>
Support costs	2008	2007
	£	£
Salaries	7,863	8,777
Recruitment and training	1,540	3,107
African travel costs	4,628	4,178
AIDS projects administration (including staff costs)	9,009	8,778
AIDS projects finance costs	872	318
Printing, postage and stationery	1,826	2,458
UK travelling and motor expenses	4,327	5,178
Telephone	2,604	2,910
Computer costs and hire of equipment	3,839	1,352
General office expenses	10,847	9,064
Repairs and renewals	564	1,295
Insurance	1,930	3,032
Sundries	928	1,500
Depreciation	28,729	26,370
	<u>79,506</u>	<u>78,317</u>

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3. RESOURCES EXPENDED (CONTINUED)

Governance costs	2008	2007
	£	£
Legal and professional fees	1,052	1,800
Audit fees	6,667	7,518
Accountancy fees	1,000	1,000
Trustees expenses and training (note 10)	875	180
	<u>9,594</u>	<u>10,498</u>

4. STAFF COSTS

	2008	2007
	£	£
Wages and salaries	161,397	130,869
Social Security costs	12,642	12,121
	<u>174,039</u>	<u>142,990</u>

Average number of full time equivalent persons employed by the Charity

	No.	No.
Full time staff (excluding trustees)	<u>9</u>	<u>8</u>

Of the 10 full time staff at the year end, 8 work on the website and on information and advocacy; 1 member of staff is responsible for finance, administration and projects, whilst one is responsible for fundraising. In addition, Annabel Kanabus, one of the trustees, works full time as director, on a voluntary basis.

No employee received in excess of £60,000 remuneration in the current or previous year.

5. FIXED ASSETS

	Freehold Property £	Office Equipment £	Fixtures and fittings £	Motor Vehicles £	Total £
Cost:					
At 1 April 2007	900,176	121,633	17,713	12,000	1,051,522
Additions	-	4,217	-	17,749	21,966
Disposals	-	-	-	(12,000)	(12,000)
At 31 March 2008	<u>900,176</u>	<u>125,850</u>	<u>17,713</u>	<u>17,749</u>	<u>1,061,488</u>
Depreciation:					
At 1 April 2007	150,707	102,073	16,920	7,254	276,954
Charge for period	18,004	5,944	198	4,583	28,729
Disposals	-	-	-	(7,400)	(7,400)
At 31 March 2008	<u>168,711</u>	<u>108,017</u>	<u>17,118</u>	<u>4,437</u>	<u>298,283</u>
Net book values					
At 31 March 2008	<u>731,465</u>	<u>17,833</u>	<u>595</u>	<u>13,312</u>	<u>763,205</u>
<i>At 31 March 2007</i>	<i><u>749,469</u></i>	<i><u>19,560</u></i>	<i><u>793</u></i>	<i><u>4,746</u></i>	<i><u>774,568</u></i>

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NOTES TO THE ACCOUNTS (CONTINUED)
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6. INVESTMENTS	2008 £	2007 £
Quoted Investments:		
Market value at 1 April 2007	3,396,324	3,260,585
Add: Acquisitions at cost	2,256,942	834,815
Less: disposals at opening market value	(2,281,823)	(797,786)
Net unrealised investment (losses)/gains	(103,532)	160,591
Change in cash awaiting investment	<u>(69,772)</u>	<u>(61,881)</u>
Market value at 31 March 2008	<u>3,198,039</u>	<u>3,396,324</u>
Cost at 31 March 2008	<u>3,044,061</u>	<u>2,910,978</u>
Analysis of investments by type	2008 £	2007 £
Listed investments		
UK	2,692,268	2,874,769
Overseas	505,588	451,600
Cash deposits		
UK	<u>183</u>	<u>69,955</u>
	<u>3,198,039</u>	<u>3,396,324</u>
7. DEBTORS	2008 £	2007 £
Income tax recoverable	4,729	10,000
Prepayments and accrued income	6,621	14,400
Other debtors	<u>16,437</u>	<u>803</u>
	<u>27,787</u>	<u>25,203</u>
8. CREDITORS	2008 £	2007 £
Amounts falling due within one year		
Trade creditors	4,710	3,680
Other taxes and social security costs	4,632	-
Accruals and deferred income	<u>12,240</u>	<u>18,520</u>
	<u>21,582</u>	<u>22,200</u>

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9. FUTURE COMMITMENTS	2008	<i>2007</i>
	£	£
In the form of HIV/AIDS grants over the next two years	<u>145,605</u>	<u><i>140,576</i></u>

10. TRANSACTIONS WITH RELATED PARTIES

£1,052 (2007: £1,107) was paid in respect of legal fees to Thomas Eggar, a practice of solicitors in which R H J Venables Kyrke, a trustee of the company, is a partner. In addition, Simon Forest was paid £875 for consultancy services provided on behalf of AVERT. These transactions are authorised by the provisions of the company's Memorandum and Articles of Association. Apart from the above transactions no trustee received remuneration. No trustees received reimbursement of travel expenses during the year (2007: 2 trustees received £63).