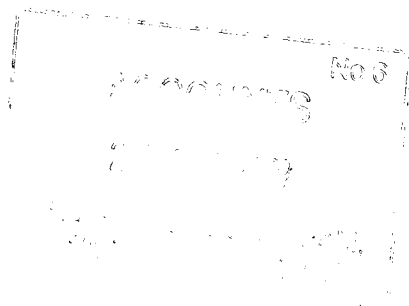


**A V E R T**  
**TRUSTEES' REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2007**



**AVERT  
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**AVERT**  
**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2007**

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The trustees are pleased to present their report along with the audited financial statements of the charity for the year ended 31st March 2007.

**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  
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 2007**

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**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 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 2007**

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## **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](http://www.avert.org), which is carried out by AVERT's own staff
- 2) HIV/AIDS Information and Advocacy work, which is also carried out by AVERT's own staff
- 3) 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.

## **Activities, Achievements and Performance**

### The website [www.avert.org](http://www.avert.org)

The aims of the AVERT.org website are:

- 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

and the 200 pages on the site include the following topics.

- 1) National and regional profiles including statistics
- 2) Education and prevention
- 3) Issues (stigma, drug use, etc)
- 4) Global responses (PEPFAR etc.)
- 5) A detailed history of AIDS
- 6) Treatment and Care
- 7) A searchable photo gallery.

### **Monitoring, Performance and Achievements**

Since AVERT.org was started in 1995 the monitoring of the site has been an important part of the site's operation. As with most education websites it is impossible to measure the exact effect the web site is having, either in terms of the number of infections prevented or indeed any of the other aims given above. It is however possible to look at various measurements such as the number of people visiting the site, to see how these have changed over time, and also to see how these measurements compare with other similar sites. It is also possible to get some indication of the effect of the site through the correspondence that AVERT receives, much of which either relates to, or has originated from the site.

**AVERT**  
**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2007**

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An increasingly sophisticated range of tools are now being used to take measurements on the site. These showed that by the start of the 2006/07 year more than 200,000 visits were being made to the site each week, and more than 500,000 pages were being accessed. Almost all of the site measurements increased during the year, with the average number of visits increasing to 250,000 and the number of pages accessed to 600,000. These figures suggest that AVERT.org is now one of the two most popular HIV/AIDS websites in the world.

### 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.

This work is mainly 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. Organisations which AVERT has provided information to over the last year have included:

The Washington Post  
The Independent  
The Sunday Times  
The TES

Various parts of the BBC, on more than a dozen occasions, and a number of local and national radio stations.

AVERT has very limited resources with which to run campaigns, but for World AIDS Day 2006, AVERT carried out a campaign "Why Black" to highlight, through the AVERT.org website, the continuing deaths from AIDS in Sub-Saharan Africa.

### HIV/AIDS prevention, treatment, care and research 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.

For research projects, or projects where the main focus is on research, the criteria are basically the same, although there may be more involvement of scientists from other countries.

With regard to the amount of money provided for each grant, this is very variable, with no lower limit, and a maximum annual figure 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.

**AVERT**  
**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2007**

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Prevention, Treatment and Care Projects

At the beginning of the 2006/2007 year AVERT was providing financial support for four education, treatment and care projects in South Africa. Two of these projects, the Sisonke and Tholulwazi projects, are large scale community development projects which AVERT helped to start, and which are now being further developed. The other two projects were the AVERT hardship fund that AVERT provides to the Diocese of Grahamstown, and funding for the Rixile HIV Clinic at Tintswalao hospital. All four of these projects continued during the year, and in addition AVERT also started to support the Good Samaritan Hospice at Cradock. AVERT had previously provided some funding for organisations in rural areas through the Rural Health Initiative (RHI), but because of changing priorities at RHI, it has now been agreed that AVERT will provide this funding directly to the hospitals or community organisations.

In addition to the projects in South Africa, AVERT was also at the beginning of the year providing funding for the HIV/AIDS reference laboratory, and other laboratories across Mozambique, organised by the Department of Immunology at the Mozambique National Institute of Health in Maputo. This funding continued during the year and complements the laboratory funding provided by large donors such as the USA Centre for Disease Control (CDC).

Outside of South Africa and Mozambique, AVERT continued to provide funding for the Kachere Health Centre in Malawi, as well as funding the development of the Namulaba Community HIV/AIDS Prevention and Care Centre in Uganda. Funding was also continued for the Sangram project educating truck drivers and migrant workers Maharashtra, India.

Research Projects

Since the development of antiretroviral drug treatment in the 1990s, the trustees have considered it a priority to fund projects that enable people in high prevalence countries to obtain treatment, as well as continuing with prevention and education work. But it is important not to forget the important role of medical research, and the fact that there are still areas where improved medical knowledge is urgently needed.

One particularly important area is that of treatment for children. Although drug treatment is available for HIV positive children in developed countries, in countries where there are fewer resources, there is little treatment for children, and what there is, is often not very effective.

As a result the trustees of AVERT decided to fund two medical research projects concerning children. The first is at Maputo General Hospital in Mozambique, whilst the second involves doctors from the Queen Elizabeth Central hospital in Blantyre, Malawi.

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 development of the Sisonke and Tholulwazi community projects.

**AVERT**  
**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2007**

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## **Financial Review**

AVERT's income comes from three main sources:

- 1) Fundraising income
- 2) The income from AVERT's expendable endowment
- 3) Income from the rental on spare space in AVERT's office building

During the year AVERT's fundraising raised £87,722 net of costs, which was a very satisfactory result as during the year considerable time and effort was spent on purchasing and starting to use some specialist fundraising software. It was also decided during the year that AVERT should employ a full time fundraiser in order that more donations can be obtained.

AVERT's donations largely came from private individuals and groups. It is 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.

The income from AVERT's investments, from the spare office space, and from deposit income were all largely the same as in previous years.

Spending on overseas projects was higher than in previous years due to an increasing number of projects. However the success of the website meant that there was a need for additional expenditure. A relatively 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, that 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.

The trustees aim is to maintain the current levels of income over the next few years, and whilst there is likely to be an increase in overseas project expenditure, it is not anticipated that the resulting deficit will be greater than can be managed by taking money from the expendable endowment.

## **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.

The performance of the portfolio over the last 12 months has been very good. On the fixed income part of the portfolio the FTA Govt (Total Return) has been exceeded by 4.2% and the equity element has outperformed the FTSE All Share (Total Return) Index by 2.7%. The portfolio's total return over the last 12 months has been 10.9% and the WM Constrained by Income Index was exceeded by 2.2%.

The capital value of AVERT's investments has increased from £3,260,585 at 31st March 2006 to £3,396,324 at 31st March 2007.



**AVERT**  
**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2007**

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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 10 million people a year, it is probably unrealistic to aim to reach more people. However, it may be possible to have a greater impact on those already reached, including the increasing number of media and other people who are reached through AVERT's Information & Advocacy work. The Information and Advocacy work has mainly concentrated on providing information to those people who make requests to AVERT. With the increased exposure that AVERT as an organisation receives as a result of avert.org, it may be possible for the organisation to start to speak out more specifically about those aspects of HIV/AIDS that may concern us at particular times.

With regard to the projects, these have increased very considerably in number over the last two or three years. It is important that the quality of these projects be maintained, as well as the quality of the monitoring, and that AVERT does not become overextended either financially or with the demands made on the personnel. The emphasis over the next year or so, is therefore likely to be on continuing to develop existing projects rather than increasing the number further.

**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 2007**

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**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 the trustees are aware, there is no relevant audit information of which the charity's auditors are unaware. The trustees have take all the steps that we ought to have taken as trustees in order to make ourselves 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

*Ry Hannah*  
8/8/07.

## REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF AVERT

We have audited the financial statements of AVERT for the year ended 31 March 2007 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 the United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charitable company as at 31 March 2007 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.

*Howard Clark Mitchell*  
London

Chartered Accountants  
and Registered Auditors

14/8/07

**AVERT**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 MARCH 2007**

Income and Expenditure	Note	Unrestricted Funds £	Restricted Funds £	Expendable Endowment £	2007 Total £	2006 Total £
<b>Income</b>						
<b>Income from</b>						
donations received		99,706	4,707	-	104,413	97,168
legacies		660	-	-	660	-
investment income	2	125,448	-	-	125,448	125,491
rental income		38,820	-	-	38,820	34,080
other income		401	-	-	401	15
<b>Total incoming resources</b>		<u>265,035</u>	<u>4,707</u>	<u>-</u>	<u>269,742</u>	<u>256,754</u>
<b>Cost of generating funds</b>	3	<u>42,171</u>	<u>-</u>	<u>-</u>	<u>42,171</u>	<u>37,020</u>
<b>Net incoming resources available for charitable application</b>		<u>222,864</u>	<u>4,707</u>	<u>-</u>	<u>227,571</u>	<u>219,734</u>
<b>Resources expended</b>						
<b>Charitable expenditure:</b>						
AIDS educational website		145,212	-	-	145,212	156,331
HIV/AIDS overseas prevention, treatment, care and research		114,542	4,707	-	119,249	104,203
Information and advocacy		39,663	-	-	39,663	38,250
<b>Governance costs</b>		<u>10,498</u>	<u>-</u>	<u>-</u>	<u>10,498</u>	<u>14,429</u>
		<u>309,915</u>	<u>4,707</u>	<u>-</u>	<u>314,622</u>	<u>313,213</u>
<b>Total resources expended</b>	3	<u>352,086</u>	<u>4,707</u>	<u>-</u>	<u>356,793</u>	<u>350,233</u>
<b>Net (outgoing) resources before transfers</b>		(87,051)	-	-	(87,051)	(93,479)
<b>Transfers</b>		<u>87,051</u>	<u>-</u>	<u>(87,051)</u>	<u>-</u>	<u>-</u>
<b>Net outgoing resources after transfers</b>		-	-	(87,051)	(87,051)	(93,479)
<b>Realised gains/(losses) on investments</b>		<u>-</u>	<u>-</u>	<u>43,352</u>	<u>43,352</u>	<u>225,547</u>
		-	-	(43,699)	(43,699)	132,068
<b>Unrealised gains on investments</b>		<u>-</u>	<u>-</u>	<u>160,591</u>	<u>160,591</u>	<u>411,256</u>
<b>Net movement in funds</b>		-	-	116,892	116,892	543,324
<b>Fund balances brought forward</b>		<u>-</u>	<u>-</u>	<u>4,217,865</u>	<u>4,217,865</u>	<u>3,674,541</u>
<b>Fund balances at 31 March 2007</b>		<u>-</u>	<u>-</u>	<u>4,334,757</u>	<u>4,334,757</u>	<u>4,217,865</u>

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

**AVERT  
BALANCE SHEET  
AS AT 31 MARCH 2007**

	Note	£	2007 £	2006 £
<b>TANGIBLE FIXED ASSETS</b>	5		774,568	788,290
<b>INVESTMENTS</b>	6		3,396,324	3,260,585
<b>CURRENT ASSETS</b>				
Debtors	7	25,203		17,547
Cash at bank and in hand		<u>160,862</u>		<u>173,487</u>
		<u>186,065</u>		<u>191,034</u>
<b>Creditors: Amounts falling due within one year</b>	8	<u>(22,200)</u>		<u>(22,044)</u>
<b>NET CURRENT ASSETS</b>			<u>163,865</u>	<u>168,990</u>
<b>NET ASSETS</b>			<u>4,334,757</u>	<u>4,217,865</u>
<b>UNRESTRICTED FUNDS</b>			-	-
<b>EXPENDABLE ENDOWMENT</b>			<u>4,334,757</u>	<u>4,217,865</u>
			<u>4,334,757</u>	<u>4,217,865</u>

Approved by the Trustees on  
and signed on their behalf

*P. J. Harrah* } Trustees  
2/8/7

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

**AVERT**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2007**

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**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 assets are initially recorded at cost. The company capitalises all items 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) Dividend income is included gross which includes the associated tax credit unless the tax so deducted is considered irrecoverable.
- (ii) Dividends are included as received.
- (iii) 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.

**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.

**AVERT**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2007**

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**1. ACCOUNTING POLICIES (CONTINUED)**

**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, which are expendable at the discretion of the trustees in furtherance of the objectives of the company.

**2. INVESTMENT INCOME**

	<b>Total 2007 £</b>	<i>Total 2006 £</i>
Listed investments UK	119,622	97,193
Listed investments Overseas	3,421	19,720
Bank deposit interest UK	<u>2,405</u>	<u>8,578</u>
	<u><b>125,448</b></u>	<u><i>125,491</i></u>

**AVERT**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2007**

**3. RESOURCES EXPENDED**

<b>2007</b>	Staff Costs £	Depreciation Costs £	Other Costs £	Total £
<b>Cost of generating funds</b>				
Fund raising costs	10,469	-	6,788	17,257
Investment management costs	-	-	24,914	24,914
	<u>10,469</u>	<u>-</u>	<u>31,702</u>	<u>42,171</u>
<b>Charitable Expenditure</b>				
<b>AIDS education website</b>				
Direct costs	93,670	-	6,013	99,683
Support costs	6,144	18,459	20,926	45,529
	<u>99,814</u>	<u>18,459</u>	<u>26,939</u>	<u>145,212</u>
<b>HIV/AIDS overseas education, Treatment, care &amp; research</b>				
Direct costs - grants	8,777	-	90,693	99,470
Support costs	878	2,637	16,264	19,779
	<u>9,655</u>	<u>2,637</u>	<u>106,957</u>	<u>119,249</u>
<b>Information and advocacy</b>				
Direct costs	21,296	-	5,358	26,654
Support costs	1,756	5,274	5,979	13,009
	<u>23,052</u>	<u>5,274</u>	<u>11,337</u>	<u>39,663</u>



**AVERT**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2007**

**3. RESOURCES EXPENDED (CONTINUED)**

	<i>Staff Costs £</i>	<i>Depreciation Costs £</i>	<i>Other Costs £</i>	<i>Total £</i>
<b>2006</b>				
<b><i>Cost of generating funds</i></b>				
<i>Fund raising and publicity costs</i>	4,740	-	5,896	10,636
<i>Investment management costs</i>	-	-	26,384	26,384
	<b>4,740</b>	<b>-</b>	<b>32,280</b>	<b>37,020</b>
<b><i>Charitable Expenditure</i></b>				
<b><i>AIDS education website</i></b>				
<i>Direct costs</i>	95,892	-	18,285	114,177
<i>Support costs</i>	6,151	16,874	19,129	42,154
	<b>102,043</b>	<b>16,874</b>	<b>37,414</b>	<b>156,331</b>
<b><i>HIV/AIDS overseas education, treatment, care &amp; research</i></b>				
<i>Direct costs - grants</i>	-	-	86,438	86,438
<i>Support costs</i>	5,671	2,703	9,391	17,765
	<b>5,671</b>	<b>2,703</b>	<b>95,829</b>	<b>104,203</b>
<b><i>Information and advocacy</i></b>				
<i>Direct costs</i>	20,073	-	5,549	25,622
<i>Support costs</i>	1,757	5,406	5,465	12,628
	<b>21,830</b>	<b>5,406</b>	<b>11,014</b>	<b>38,250</b>

**AVERT**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2007**

**3. RESOURCES EXPENDED (CONTINUED)**

There were grants of £99,470 comprising the following grants to institutions (2006: 10 grants to institutions totalling £86,438).

	2007	2006
	£	£
Queen Elizabeth Central Hospital, Blantyre, Malawi	6,409	-
Kachere Health Centre, Mwaya, Malawi	2,721	1,715
Department of Immunology, Mozambique National Institute of Health, Maputo, Mozambique	13,906	11,831
Maputo Central Hospital, Maputo, Mozambique	-	12,900
Raphael Centre, Grahamstown, Eastern Cape, South Africa	-	18,459
Department of Social Responsibility, Diocese of Grahamstown, Eastern Cape, South Africa	7,990	3,648
Diocese of Grahamstown, Grahamstown, Eastern Cape, South Africa	7,379	7,115
Good Samaritan Home, Cradock, Eastern Cape, South Africa	4,622	-
Tintswalo Hospital, Limpopo Province, South Africa	3,737	8,927
Rural Health Initiative (RHI), KwaZulu Natal, South Africa	6,084	4,727-
Tholulwazi Uzivikele, KwaNgwanase, KwaZulu Natal, South Africa	34,771	-
Thandzani Community HIV/AIDS Prevention and Care, Lundazi, Zambia	-	1,341
Sangram, Sangli, India	8,814	15,775
Namulaba, Uganda	3,037	-
	<u>99,470</u>	<u>86,438</u>

**Support costs**

	2007	2006
	£	£
Salaries	8,777	8,787
Recruitment and training	3,107	4,309
Indian travel costs	-	2,460
African travel costs	4,178	3,788
AIDS projects administration	8,778	4,792
AIDS projects finance costs	318	411
Overseas work support	-	-
Printing, postage and stationery	2,458	1,314
UK travelling and motor expenses	5,178	4,270
Telephone	2,910	2,746
Computer costs and hire of equipment	1,352	1,502
General office expenses	9,064	8,430
Repairs and renewals	1,295	646
Insurance	3,032	(467)
Sundries	1,500	1,532
Depreciation	26,370	24,983
(Gain)/loss on currency translation	-	3,044
	<u>78,317</u>	<u>72,547</u>

**AVERT**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2007**

**3. RESOURCES EXPENDED (CONTINUED)**

<b>Governance costs</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Legal and professional fees	1,800	4,533
Audit and accountancy fees	8,518	9,701
Trustees expenses and training	180	195
	<u>10,498</u>	<u>14,429</u>

**4. STAFF COSTS**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Wages and salaries	130,869	124,971
Social Security costs	12,121	9,313
	<u>142,990</u>	<u>134,284</u>

Average number of full time equivalent persons employed by the Charity

	<b>No.</b>	<b>No.</b>
Full time staff (excluding trustees)	<u>8</u>	<u>6</u>

Of the 8 full time staff, 6 work on the website and on information and advocacy; 1 member of staff is responsible for finance and administration, whilst one is responsible for fundraising. In addition, Mrs 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 2006	891,340	118,084	17,450	12,000	1,038,874
Additions	8,836	3,549	263	-	12,648
<b>At 31 March 2007</b>	<u>900,176</u>	<u>121,633</u>	<u>17,713</u>	<u>12,000</u>	<u>1,051,522</u>
Depreciation:					
At 1 April 2006	132,704	95,553	16,655	5,672	250,584
Charge for period	18,003	6,520	265	1,582	26,370
<b>At 31 March 2007</b>	<u>150,707</u>	<u>102,073</u>	<u>16,920</u>	<u>7,254</u>	<u>276,954</u>
<b>Net book values</b>					
<b>At 31 March 2007</b>	<u>749,469</u>	<u>19,560</u>	<u>793</u>	<u>4,746</u>	<u>774,568</u>
<i>At 31 March 2006</i>	<u>758,636</u>	<u>22,531</u>	<u>795</u>	<u>6,328</u>	<u>788,290</u>

**AVERT**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2007**

**6. INVESTMENTS**

	2007 £	2006 £
Quoted Investments:		
Market value at 1 April 2006	3,260,585	2,658,919
Add: Acquisitions at cost	834,815	1,989,095
Less: disposals at opening market value	(797,786)	(1,889,744)
Net unrealised investment gains	160,591	469,827
Change in cash awaiting investment	(61,881)	32,488
	<u>3,396,324</u>	<u>3,260,585</u>
<b>Market value at 31 March 2007</b>	<u>3,396,324</u>	<u>3,260,585</u>
<b>Cost at 31 March 2007</b>	<u>2,910,978</u>	<u>2,966,940</u>

**Analysis of investments by type**

	2007 £	2006 £
Listed investments		
UK	2,874,769	2,522,846
Overseas	451,600	605,903
Cash deposits		
UK	69,955	131,836
	<u>3,396,324</u>	<u>3,260,585</u>

**7. DEBTORS**

	2007 £	2006 £
Income tax recoverable	10,000	4,664
Prepayments and accrued income	14,400	12,883
Other debtors	803	-
	<u>25,203</u>	<u>17,547</u>

In October 2006 notification was received of a legacy. This has not been included in this year's accounts as it did not meet the requirements for recognition as income. The legacy relates to a share in a residential property that remains unsold and so its value is not sufficiently certain.

**8. CREDITORS**

	2007 £	2006 £
Amounts falling due within one year		
Trade creditors	3,680	6,349
Other taxes and social security costs	-	3,575
Accruals and deferred income	18,520	12,120
	<u>22,200</u>	<u>22,044</u>

**AVERT**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2007**

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<b>9. FUTURE COMMITMENTS</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
In the form of HIV/AIDS grants over the next two years	<b>140,576</b>	<b>127,997</b>

**10. TRANSACTIONS WITH RELATED PARTIES**

£1,107 (2006: £3,171) 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 £1,500 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. 2 trustees received reimbursement of travel expenses during the year totalling £63 (2006: 1 trustee received £175).