

HOSPICE OF HOPE ROMANIA LTD

STATEMENT OF FINANCIAL ACTIVITIES
(including income and expenditure account)
YEAR ENDED 31 DECEMBER 2008

		Unrestricted Funds	Restricted Funds	TOTAL 2008	TOTAL 2007
	Notes	£	£	£	£
INCOMING RESOURCES					
Generated funds					
Donations and Grants	2	218,317	416,531	634,848	605,573
Gift of Trading Company		-	-	-	47,091
Events and promotions	3	161,037	15,773	176,810	121,190
Profits from Trading Subsidiaries		84,788	-	84,788	129,551
Investment income		24,662	1,449	26,111	11,020
TOTAL INCOMING RESOURCES		488,804	433,753	922,557	914,425
RESOURCES EXPENDED					
Cost of generating funds					
Investment costs	4	15,703	-	15,703	-
Cost of generating voluntary income	4	46,975	-	46,975	84,816
Cost of events and promotions	4	86,447	-	86,447	86,753
		149,125	-	149,125	171,569
Charitable activities by objective					
Advocacy and Promotion	4	155,405	12,177	167,582	82,489
Technical Assistance	4	60,526	40,224	100,750	97,704
Hospice Education	4	30,466	4,789	35,255	51,607
Grants for Hospice Care	4	51,282	319,566	370,848	342,394
		297,679	376,756	674,435	574,194
Governance costs	4	4,532	-	4,532	5,003
TOTAL RESOURCES EXPENDED	5	451,336	376,756	828,092	750,766
Net incoming resources /					
Net income for the year		37,468	56,997	94,465	163,659
Unrealised loss on investment assets		-	-	-	(1,640)
RECONCILIATION OF FUNDS					
Total funds at January 1st		262,607	177,475	440,082	278,063
TOTAL FUNDS CARRIED FORWARD	15	300,075	234,472	534,547	440,082

HOSPICE OF HOPE ROMANIA LTD

**BALANCE SHEET
31 DECEMBER 2008**

	Notes	2008		2007	
		£	£	£	£
FIXED ASSETS					
Tangible Assets	9		565,108		117,319
Investments	11		45,452		45,452
CURRENT ASSETS					
Debtors	10	94,500		106,577	
Investments	11	292,111		259,950	
Cash at bank		26,932		22,356	
		413,543		388,883	
CREDITORS: Amounts falling due within one year	12		(116,921)		(111,572)
NET CURRENT ASSETS			296,622		277,311
CREDITORS: Amounts falling due after one year	13		(372,635)		-
NET ASSETS			534,547		440,082
FUNDS					
Restricted	15		234,472		177,475
Unrestricted	15		300,075		262,607
TOTAL FUNDS			534,547		440,082

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

These financial statements were approved by the Board of Trustees on and were signed on their behalf by:

A P F Bache
Trustee

HOSPICE OF HOPE ROMANIA LTD

NOTES TO FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2008

1. Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

(a) Basis of Accounts Preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice; Accounting and Reporting by Charities issued in March 2005 and with the Financial Reporting Standard for Smaller Entities (Effective January 2007).

(b) Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

(c) Incoming Resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable unless conditions are attached to the expenditure of the money which have not been met by the year end.

Donated items are included at the value to the charity where this can be quantified. The value of the services provided by volunteers has not been included in these accounts.

Investment income is included when receivable.

(d) Resources Expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes VAT which the charity cannot recover and is reported as part of the expenditure to which it relates:

Costs of generating funds comprise the costs associated with attracting voluntary income.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities according to its charitable objects. It includes both costs that can be allocated directly to such activities and those of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity, including audit fees.

All costs are allocated between the expenditure categories of the Statement of Financial Activities (SoFA) on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned as set out in Note 4.

HOSPICE OF HOPE ROMANIA LTD

NOTES TO FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 31 DECEMBER 2008

(e) Fixed Assets

Depreciation of assets, other than land, is provided at rates calculated to write off the excess of cost over residual amount evenly over the estimated useful economic lives of each class of asset.

These rates are currently as follows:

Freehold Buildings	2% straight line
Office Equipment	20% straight line
Fundraising Equipment	20% straight line

2. DONATIONS

	2008	2007
	£	£
Donations from Individuals (including gift aid receivable)	134,715	125,874
Legacies	172	1,853
Bucharest Clinic Appeal	2,325	-
Serbia Appeal	27,820	1,401
Oxford Premises Appeal	21,000	-
Ionut Appeal	-	9,850
Churches, schools and community groups	9,682	8,878
Business	14,103	13,060
GlaxoSmithKline	50,000	100,000
Tudor Trust	80,000	50,000
Big Lottery Fund	139,840	115,867
Lloyds TSB	6,341	5,943
Ellenor Foundation Romanian Appeal	-	86,771
Other Trusts	148,850	86,076
	<u>634,848</u>	<u>605,573</u>

3. EVENTS AND PROMOTIONS

	2008	2007
	£	£
Fundraising events	163,476	99,574
Travel and Insight events	12,661	18,099
Merchandising	673	3,517
	<u>176,810</u>	<u>121,190</u>

HOSPICE OF HOPE ROMANIA LTD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2008

4. Analysis of Total Resources Expended

Basis of Allocation	Staff Costs	Transfers and Equipment	Travel	Premises	Other Costs	Legal and Professional Fees	2008 Total	2007 Total
	£ Staff Time	£ Direct	£ Direct	£ Staff Time	£ Staff Time	£ Direct	£	£
Cost of Generating Funds								
Investment Costs	-	-	-	(609)	15,694	618	15,703	-
Voluntary Income	33,511	-	-	2,469	10,995	-	46,975	84,816
Events & Promotions	29,445	-	4,246	2,099	50,657	-	86,447	86,753
	<u>62,956</u>	<u>-</u>	<u>4,246</u>	<u>3,959</u>	<u>77,346</u>	<u>618</u>	149,125	171,569
Charitable Expenditure								
Advocacy and Promotion	90,688	-	9,002	6,505	61,387	-	167,582	82,489
Technical Assistance	45,640	-	22,977	3,011	29,122	-	100,750	97,704
Hospice Education	-	34,746	-	157	352	-	35,255	51,607
Funding Support	436	370,319	-	29	64	-	370,848	342,394
	<u>136,764</u>	<u>405,065</u>	<u>31,979</u>	<u>9,702</u>	<u>90,925</u>	<u>-</u>	674,435	574,194
Governance Costs	-	-	-	-	103	4,429	4,532	5,003
Total Resources Expended (2008)	199,720	405,065	36,225	13,661	168,374	5,047	828,092	
Total Resources Expended (2007)	214,102	370,910	30,156	16,017	114,578	5,003		750,766

HOSPICE OF HOPE ROMANIA LTD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2008

5. Total Resources Expended for the Year

	2008	2007
This is stated after charging:	£	£
Depreciation	12,782	3,571
Auditors' remuneration	4,429	5,003
	<u>17,211</u>	<u>8,574</u>

6. Staff Costs and Numbers

	2008	2007
Staff costs were as follows:	£	£
Salaries and Wages	182,070	187,424
Social Security Costs	14,311	23,011
Pension Costs	3,339	3,667
Total	<u>199,720</u>	<u>214,102</u>

No employees received emoluments of more than £ 46,000.

The average number of employees during the year, calculated on the basis of full time equivalents, was as follows:

	2008	2007
	Number	Number
Management, advocacy and technical assistance	3	2
Hospice Doctor	1	1
Fundraising	2	2
Administration & Support	1	2
	<u>7</u>	<u>7</u>

The charity does not operate any pension scheme for its employees but does administer contributions to a stakeholder pension scheme for 3 staff (2007 - 3 staff). The charity makes contributions to the scheme as shown in the note.

7. Trustee Remuneration & Related Party Transactions

One trustee received expenses during the year of £8 (Nil in 2007)

One trustee made a loan of £50,000 to the charity during the year. The loan is interest free and due for repayment in 2009.

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year. (In 2007 this was also nil).

HOSPICE OF HOPE ROMANIA LTD

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2008**

8. Taxation

As a charity, Hospice of Hope Romania is exempt from tax on income and gains falling due within section 505 of the Taxes Act 1988 or s256 of the Taxation and Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

9. TANGIBLE FIXED ASSETS

	Freehold Buildings		Office Equipment £	Fundraising Equipment £	Total £
	Serbian Hospice Premises £	11 - 13 High Street, Otford £			
COST					
At 1 January 2008	117,338	-	3,276	2,847	123,461
Additions	-	460,571	-	-	460,571
At 31 December 2008	117,338	460,571	3,276	2,847	584,032
DEPRECIATION					
At 1 January 2008	2,347	-	1,982	1,813	6,142
Charge for the year	2,347	9,211	655	569	12,782
At 31 December 2008	4,694	9,211	2,637	2,382	18,924
NET BOOK VALUE					
At 31 December 2008	112,644	451,360	639	465	565,108
At 31 December 2007	114,991	-	1,294	1,034	117,319

10. DEBTORS

	2008 £	2007 £
Trade Debtors	3,705	3,915
Gift Aid Recoverable	25,981	11,170
Due from Hospice of Hope Trading Ltd	60,938	87,430
Prepayments	3,876	4,062
	94,500	106,577

HOSPICE OF HOPE ROMANIA LTD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2008

11. INVESTMENTS

	2008	2007
	£	£
Share in Hospice of Hope Trading Limited	1	1
Shares in Hospices of Hope Trading Limited	45,451	45,451
COIF deposit fund	292,111	259,950
	337,563	305,402
	337,563	305,402

Hospice of Hope Trading Limited was a dormant company in 2008 and is being dissolved.

The COIF deposit fund is an interest bearing deposit account which earns interest at a competitive commercial rate.

12. CREDITORS: Amounts falling due within one year

	2008	2007
	£	£
Taxation and social security	5,035	5,728
Other creditors	6,852	5,543
Accruals	4,358	4,202
Provision for legal fees to convert land	7,406	7,570
Loans from Individuals	65,000	-
Mortgage on 11-13 High Street, Otford (see note 13)	6,184	-
Deferred Income from Grants	22,086	88,529
	116,921	111,572
	116,921	111,572

Deferred income comprises £22,086 from the Big Lottery Fund Grant on the basis that the expenditure of this amount must be incurred after 31 December 2008 according to the grant agreements.

13. CREDITORS: Amounts falling due after one year

	2008	2007
	£	£
Loans from Individuals	11,800	-
Mortgage on 11-13 High Street, Otford	360,835	-
	372,635	-
	372,635	-

The mortgage secured on 11-13 High Street, Otford represents 81% of the net book value of the asset.

HOSPICE OF HOPE ROMANIA LTD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2008

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Funds	Restricted Funds	Total Funds
	£	£	£
Tangible Fixed Assets	452,464	112,644	565,108
Investment in Subsidiary	45,452	-	45,452
Current Assets	269,629	143,914	413,543
Current Liabilities	(94,835)	(22,086)	(116,921)
Liabilities due after one year	(372,635)	-	(372,635)
Net Assets at 31 December 2008	<u>300,075</u>	<u>234,472</u>	<u>534,547</u>

15. MOVEMENTS IN FUNDS

	At 1 January 2008	Incoming Resources	Outgoing Resources	Transfers	At 31 December 2008
	£	£	£	£	£
Restricted Funds					
Ionut Fund	12,045	-	(1,431)	-	10,614
Serbia	138,763	91,393	(58,924)	-	171,232
GlaxoSmithKline grant	4,869	61,131	(66,000)	-	-
Big Lottery Fund	-	139,840	(133,317)	-	6,523
Lloyds TSB	3,443	6,341	(3,443)	-	6,341
Moldova	9,885	51,591	(26,714)	-	34,762
Hydrotherapy & Sensory	8,470	18,751	(27,221)	-	-
Rural Project	-	59,306	(54,306)	-	5,000
Bucharest New Hospice	-	5,400	(5,400)	-	-
Total Restricted Funds	<u>177,475</u>	<u>433,753</u>	<u>(376,756)</u>	<u>-</u>	<u>234,472</u>
Unrestricted Funds	<u>262,607</u>	<u>488,804</u>	<u>(451,336)</u>	<u>-</u>	<u>300,075</u>
	<u>440,082</u>	<u>922,557</u>	<u>(828,092)</u>	<u>-</u>	<u>534,547</u>

Purposes of Restricted Funds

Ionut Fund - An appeal was launched in 2006 to support the living costs for Ionut, a paraplegic patient following the donation of a home for him and his mother in Brasov, Romania.

Serbia - Funds for Serbia are donated to meet some of the costs of running BELhospice in Belgrade which was launched in June 2005.

HOSPICE OF HOPE ROMANIA LTD

NOTES TO FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 31 DECEMBER 2008

16. continued. PURPOSES OF RESTRICTED FUNDS

GlaxoSmithKline Grant - The pharmaceutical company has funded a 3-year project to make palliative care more available to children in Romania and the Balkans which started in July 2005 and was completed in June 2008.

The Big Lottery Fund Grant is a three year grant which started in December 2006 to provide palliative care for terminally ill patients with AIDS/HIV in Romania and to raise awareness in the country about the AIDS and HIV.

Lloyds TSB approved a grant to improve bereavement care, social work and volunteering at Hospice Casa Sperantei, through a link with St Columba's Hospice in Edinburgh.

Moldova - An appeal was launched to meet the majority of the running costs of Hospice Angelus in Chisinau, Moldova following an assessment made in March 2007.

Hydrotherapy & Sensory - A grant was received from a UK company to build a hydrotherapy room and a sensory room at the Hospice in Brasov. These were partially built in 2007 and were completed in early 2008.

Rural Project - Hospice care in two rural areas in the county of Brasov was started by Hospice Casa Sperantei in August 2008. Successful applications were made to various trusts for this project.

Bucharest New Hospice Appeal - The appeal to build a hospice in Bucharest was launched in May 2008.

17. FINANCIAL COMMITMENTS

At 31 December 2008 the charity was committed to making the following annual payments

Operating leases which expire:	£
within one year	-
between two and five years	14,451
in more than five years	-
	<hr/>
	14,451
	<hr/>