

**HOSPICE OF HOPE ROMANIA LTD**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(including income and expenditure account)**  
**YEAR ENDED 31 DECEMBER 2007**

		Unrestricted Funds	Restricted Funds	TOTAL 2007	TOTAL FUNDS 2006
	Notes			£	£
<b>INCOMING RESOURCES</b>					
<b>Generated funds</b>					
Donations and Grants	2	255,831	349,742	605,573	843,156
Gift of trading company	12	47,091	-	47,091	-
Events and promotions	3	121,190	-	121,190	122,821
Charity Shops		-	-	-	11,136
Profits from trading subsidiaries		129,551	-	129,551	9,687
Investment income		11,020	-	11,020	5,523
<b>TOTAL INCOMING RESOURCES</b>		<b>564,683</b>	<b>349,742</b>	<b>914,425</b>	<b>992,323</b>
<b>RESOURCES EXPENDED</b>					
<b>Cost of generating funds</b>					
Cost of generating voluntary income	4	84,816	-	84,816	70,060
Cost of events and promotions	4	86,281	472	86,753	97,510
Charity Shop Costs	4	-	-	-	20,660
		<b>171,097</b>	<b>472</b>	<b>171,569</b>	<b>188,230</b>
<b>Charitable activities by objective</b>					
Advocacy and Promotion	4	81,945	544	82,489	88,649
Technical Assistance	4	79,748	17,956	97,704	86,499
Hospice Education	4	8,646	42,961	51,607	66,642
Grants for Hospice Care	4	98,950	243,444	342,394	410,386
		<b>269,289</b>	<b>304,905</b>	<b>574,194</b>	<b>652,176</b>
<b>Governance costs</b>	<b>4</b>	<b>5,003</b>	<b>-</b>	<b>5,003</b>	<b>3,328</b>
<b>TOTAL RESOURCES EXPENDED</b>	<b>5</b>	<b>445,389</b>	<b>305,377</b>	<b>750,766</b>	<b>843,734</b>
<b>Net incoming resources /</b>					
<b>Net income for the year</b>		<b>119,294</b>	<b>44,365</b>	<b>163,659</b>	<b>148,589</b>
Unrealised loss on investment assets		(1,640)	-	(1,640)	-
<b>Net movement in funds</b>		<b>117,654</b>	<b>44,365</b>	<b>162,019</b>	<b>148,589</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds at 1 January</b>		<b>144,953</b>	<b>133,110</b>	<b>278,063</b>	<b>129,474</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>15</b>	<b>262,607</b>	<b>177,475</b>	<b>440,082</b>	<b>278,063</b>

HOSPICE OF HOPE ROMANIA LTD

BALANCE SHEET  
31 DECEMBER 2007

	Note	2007 £	£	2006 £	£
<b>FIXED ASSETS</b>					
Tangible Assets	9		117,319		120,415
Investments	12		45,452		1
			<u>162,771</u>		<u>120,416</u>
<b>CURRENT ASSETS</b>					
Stocks	10	-		677	
Debtors	11	106,577		41,279	
Investments	12	259,950		209,264	
Cash at bank		22,356		9,104	
		<u>388,883</u>		<u>260,324</u>	
<b>CREDITORS: Amounts falling due within one year</b>	13	<b>(111,572)</b>		<b>(102,677)</b>	
			<u>277,311</u>		<u>157,647</u>
<b>NET CURRENT ASSETS</b>			<u>277,311</u>		<u>157,647</u>
<b>NET ASSETS</b>			<u>440,082</u>		<u>278,063</u>
<b>FUNDS</b>					
Restricted	15		177,475		133,110
Unrestricted	15		262,607		144,953
<b>TOTAL FUNDS</b>			<u>440,082</u>		<u>278,063</u>

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 and authorised for issue on 8 July 2008

A P F Bache  
Trustee

# HOSPICE OF HOPE ROMANIA LTD

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2007

### 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 Charities Act 1993 on 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 and the costs of trading.

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 2007

**(e) Fixed Assets**

Depreciation of assets 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:

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

**(f) Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**2. DONATIONS**

	<b>2007</b>	2006
	£	£
Donations from Individuals (including gift aid receivable)	<b>125,874</b>	295,990
Legacies	<b>1,853</b>	30,000
Bucharest Clinic Appeal	-	93,761
Serbia Appeal	<b>1,401</b>	3,325
Ionut Appeal	<b>9,850</b>	2,695
Churches, schools and community groups	<b>8,878</b>	10,929
Business	<b>13,060</b>	22,061
GlaxoSmithKline	<b>100,000</b>	50,000
Tudor Trust	<b>50,000</b>	100,000
Big Lottery Fund	<b>115,867</b>	21,049
Lloyds TSB	<b>5,943</b>	5,684
Ellenor Foundation Romanian Appeal	<b>86,771</b>	170,810
Other Trusts	<b>86,076</b>	36,852
	<b><u>605,573</u></b>	<u>843,156</u>

**3. EVENTS AND PROMOTIONS**

	<b>2007</b>	2006
	£	£
Fundraising events	<b>99,574</b>	100,466
Travel and Insight events	<b>18,099</b>	17,678
Merchandising	<b>3,517</b>	4,677
	<b><u>121,190</u></b>	<u>122,821</u>

HOSPICE OF HOPE ROMANIA LTD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED 31 DECEMBER 2007

4. ANALYSIS OF TOTAL RESOURCES EXPENDED

Basis of Allocation	Staff Costs	Transfers and Equipment	Travel	Premises	Other Costs	Legal and Professional Fees	2007 Total	2006 Total
	£ Staff Time	£ Direct	£ Direct	£ Staff Time	£ Staff Time	£ Direct	£	£
<b>Cost of Generating Funds</b>								
Voluntary Income	59,728	-	1,293	2,803	20,992	-	<b>84,816</b>	70,060
Events & Promotions	35,962	-	7,312	2,066	41,413	-	<b>86,753</b>	97,510
Charity Shops	-	-	-	-	-	-	-	20,660
	<u>95,690</u>	<u>-</u>	<u>8,605</u>	<u>4,869</u>	<u>62,405</u>	<u>-</u>	<b><u>171,569</u></b>	<u>188,230</u>
<b>Charitable Expenditure</b>								
Advocacy and Promotion	57,753	-	6,119	5,830	12,787	-	<b>82,489</b>	88,649
Technical Assistance	55,017	-	15,432	4,740	22,515	-	<b>97,704</b>	86,499
Hospice Education	-	51,607	-	-	-	-	<b>51,607</b>	66,642
Funding Support	5,642	319,303	-	578	16,871	-	<b>342,394</b>	410,386
	<u>118,412</u>	<u>370,910</u>	<u>21,551</u>	<u>11,148</u>	<u>52,173</u>	<u>-</u>	<b><u>574,194</u></b>	<u>652,176</u>
<b>Governance Costs</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,003</u>	<b><u>5,003</u></b>	<u>3,328</u>
<b>Total Resources Expended (2007)</b>	<b><u>214,102</u></b>	<b><u>370,910</u></b>	<b><u>30,156</u></b>	<b><u>16,017</u></b>	<b><u>114,578</u></b>	<b><u>5,003</u></b>	<b><u>750,766</u></b>	
Total Resources Expended (2006)	164,102	472,043	42,628	23,588	122,770	18,603		843,734

**HOSPICE OF HOPE ROMANIA LTD**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2007**

**5. TOTAL RESOURCES EXPENDED FOR THE YEAR**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Depreciation	<b>3,571</b>	3,328
Auditors' remuneration		
Audit	<b>3,503</b>	3,328
Other services	<b>1,500</b>	-
	<u><u>          </u></u>	<u><u>          </u></u>

**6. STAFF COSTS AND NUMBERS**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Staff costs were as follows:		
Salaries and Wages	<b>187,424</b>	147,026
Social Security Costs	<b>23,011</b>	14,541
Pension Costs	<b>3,667</b>	2,535
Total	<u><u>214,102</u></u>	<u><u>164,102</u></u>

No employees received emoluments of more than £60,000.

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

	<b>2007</b>	<b>2006</b>
	<b>Number</b>	<b>Number</b>
Management, advocacy and technical assistance	<b>2</b>	2
Hospice Doctor	<b>1</b>	1
Fundraising	<b>2</b>	1
Administration & Support	<b>2</b>	1
Charity Shop Manager	<b>-</b>	1
	<u><u>7</u></u>	<u><u>6</u></u>

The charity does not operate any pension scheme for its employees but does administer contributions to a stakeholder pension scheme for 3 staff (2006 - 2 staff). The charity makes contributions to the scheme as shown in the note.

**7. TRUSTEE REMUNERATION AND RELATED PARTY TRANSACTIONS**

No trustees received any remuneration or expenses during the year.

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 2006 this was also nil).

**HOSPICE OF HOPE ROMANIA LTD**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2007**

**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**

	Serbian Hospice Premises £	Office Equipment £	Fundraising Equipment £	Total £
<b>COST</b>				
At 1 January 2007	117,338	3,276	2,372	122,986
Additions	-	-	475	475
<b>At 31 December 2007</b>	<b>117,338</b>	<b>3,276</b>	<b>2,847</b>	<b>123,461</b>
<b>DEPRECIATION</b>				
At 1 January 2007	-	1,327	1,244	2,571
Charge for the year	2,347	655	569	3,571
<b>At 31 December 2007</b>	<b>2,347</b>	<b>1,982</b>	<b>1,813</b>	<b>6,142</b>
<b>NET BOOK VALUE</b>				
At 31 December 2007	<b>114,991</b>	<b>1,294</b>	<b>1,034</b>	<b>117,319</b>
At 31 December 2006	117,338	1,949	1,128	120,415

**10. STOCKS**

	2007 £	2006 £
Stock	-	677

**11. DEBTORS**

	2007 £	2006 £
Trade Debtors	3,915	3,626
Gift Aid Recoverable	11,170	15,000
Due from Hospices of Hope Trading Ltd	87,430	21,339
Prepayments	4,062	1,314
	<b>106,577</b>	<b>41,279</b>

**HOSPICE OF HOPE ROMANIA LTD**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2007**

**12. INVESTMENTS**

	2007	2006
	£	£
<b>Fixed assets:</b>		
Share in Hospice of Hope Trading Limited	1	1
Shares in Hospices of Hope Trading Limited	<u>45,451</u>	<u>-</u>
	<u><u>45,452</u></u>	<u><u>1</u></u>

The charity owns the entire ordinary share capital of Hospice of Hope Trading Limited and Hospices of Hope Trading Limited, both of which are UK registered companies. The charity acquired 2 ordinary £1 shares in Hospices of Hope Trading on 1 January 2007 by way of gift from the Ellenor Foundation Limited. Hospice of Hope Trading Limited runs three charity shops in Edinburgh. Hospices of Hope Trading Limited runs 9 charity shops in Kent. The shops sell donated items and purchased gifts and cards. The shares in these companies have been valued in the accounts at the original nominal value plus the amounts retained as net assets at the year end.

**Current assets:**

COIF deposit fund	<u>259,950</u>	<u>209,264</u>
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This represents an interest bearing deposit account which earns interest at a competitive commercial rate.

**13. CREDITORS: Amounts falling due within one year**

	2007	2006
	£	£
Taxation and social security	5,728	5,620
Other creditors	5,543	11,964
Accruals	4,202	2,645
Provision for legal fees to convert land	7,570	10,350
Deferred Income from Grants	<u>88,529</u>	<u>72,098</u>
	<u><u>111,572</u></u>	<u><u>102,677</u></u>

Deferred income comprises £50,000 from the Glaxo grant and £38,529 from the Big Lottery Fund Grant on the basis that the expenditure of these amounts must be incurred after 31 December 2007 according to the grant agreements.

**14. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	General Funds	Restricted Funds	Total Funds
	£	£	£
Fixed Assets	47,780	114,991	162,771
Current Assets	237,870	151,013	388,883
Current Liabilities	<u>(23,043)</u>	<u>(88,529)</u>	<u>(111,572)</u>
Net Assets at 31 December 2007	<u>262,607</u>	<u>177,475</u>	<u>440,082</u>



**HOSPICE OF HOPE ROMANIA LTD**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED 31 DECEMBER 2007**

**15. MOVEMENTS IN FUNDS**

	At 1 January 2007	Incoming Resources	Outgoing Resources	Transfers	At 31 December 2007
	£	£	£	£	£
<b>Restricted Funds</b>					
Ionut Fund	2,695	<b>9,850</b>	<b>(500)</b>	-	<b>12,045</b>
Serbia	119,821	<b>42,293</b>	<b>(23,351)</b>	-	<b>138,763</b>
GlaxoSmithKline grant	6,869	<b>100,000</b>	<b>(102,000)</b>	-	<b>4,869</b>
Big Lottery Fund	49	<b>115,867</b>	<b>(115,916)</b>	-	-
Lloyds TSB	3,676	<b>5,943</b>	<b>(6,176)</b>	-	<b>3,443</b>
Moldova	-	<b>21,000</b>	<b>(11,115)</b>	-	<b>9,885</b>
Hydrotherapy & Sensory	-	<b>54,789</b>	<b>(46,319)</b>	-	<b>8,470</b>
<b>Total Restricted Funds</b>	<b>133,110</b>	<b>349,742</b>	<b>(305,377)</b>	-	<b>177,475</b>
Unrestricted Funds	144,953	<b>564,683</b>	<b>(447,029)</b>	-	<b>262,607</b>
	<b>278,063</b>	<b>914,425</b>	<b>(752,406)</b>	-	<b>440,082</b>

**Unrestricted Funds**

The unrestricted funds of £262,607 comprise the investment in the trading company, the available cash funds, and the other assets less liabilities. Given the large increase in the debtor due from the Trading Company of £87,430 (£21,339 in 2006) the unrestricted cash balance at the year end was in line with the Trustees' reserves policy of 4 months' running costs. These reserves are necessary due to the political and economic uncertainty of the region in which the charity works.

**Purposes of Restricted Funds**

**Ionut Fund** - An appeal was launched 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.

**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.

**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 some of the running costs of Hospice Angelus in Chisinau, Moldova following an assessment made in March 2007.

**Hydrotherapy & Sensory** - Funding was received from a grant maker to build a Hydrotherapy Pool and a Sensory Room at Hospice Casa Sperantei in Brasov.

**HOSPICE OF HOPE ROMANIA LTD**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2007**

**16. FINANCIAL COMMITMENTS**

At 31 December 2007 the charity was committed to making the following payments under non-cancellable operating leases:

Operating leases which expire:  
    between two and five years

**16,720**