

Hospice of Hope Romania Limited

(A Company Limited by Guarantee)

Operating as
“Hospices of Hope”

Annual Report and Accounts

31 December 2007

Registered Charity Number: 1088475
Registered Company Number: 4120082

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Trustees, Officers and Advisers

Chairman

Andrew Bache CMG JP

UK Board of Trustees

Andrew Bache CMG JP

Dr. Mary Baines OBE

Fergus Cass

Andrea Evans

Catherine Hodgins

Linda Howard

Roger Northcott

Mihai Radoi

Clive Stuart

(Resigned on 4th December 2007)

Ross Whitehill

Trevor Snuggs

(Appointed on 6th March 2008)

Patrons

The Duchess of Norfolk

Dame Marion Roe DBE

Digby, Lord Jones of Birmingham

Lady Kershaw

Princess Marina Sturdza

Serban Cantacuzino CBE

Executive Director

Graham Perolls OBE

Deputy Director

James Niblett ACA

Scottish Director

Malcolm McVittie

Registered Office and Principal Office

Hospices of Hope

28a High Street

Oxford

Kent TN14 5PQ

UK

Registered Auditors

Creaseys LLP

12 Lonsdale Gardens

Tunbridge Wells

Kent TN1 1PA

Solicitors

Coffin Mew LLP

Kings Park House

22 Kings Park Road

Southampton

Hampshire SO15 2UF

Bankers

HSBC Bank plc

1/5 Week Street

Maidstone

Kent Me14 1QW

Investment Bankers

COIF Charity Funds

CCLA Investment Management Ltd

80 Cheapside

London

EC2V 6DZ

Chairman's Report

2007 marked a triple celebration for us:

15 years since Hospice Casa Sperantei, Romania's first hospice service, was founded;

10 years since the Princess Diana Education Centre started functioning;

five years since the in-patient unit was opened.

It was with delight that we learned at the end of the year that the Romanian Minister of Health, Eugen Nicolaescu, had listed hospice (palliative) care as one of his priorities for 2008. This is great news for terminally ill patients in the whole country, but also a real affirmation of all that has been achieved during the past 16 years by the Hospice Casa Sperantei team.

Recognition by the government of how palliative care can benefit a patient that has no hope of a cure is indeed an important milestone and will hopefully lead to this type of care becoming much more widely available both in Romania and in the other countries in which we work. This progress is in no small part attributable to the dedication of all our medical, support staff and volunteers who give so much of themselves to make every day count for our patients and their families. We are fortunate in the hospice to be witness to so much courage in the face of adversity and hope in the face of despair.

We want to thank all those who have given us much valued encouragement, help and support.

Andrew Bache CMG JP
UK Chairman

Vision, Mission, Aim, Structure and Partners

Our Vision is of a future where all terminally ill patients in Romania and surrounding countries are able to live and die with dignity as respected and valued members of their society.

Our Mission is to improve quality of life for the terminally ill and their families in Romania and other countries in the region through increased provision and access to palliative care and training.

Our Aim is to achieve policy changes in Romania, Serbia and Moldova that will lead to hospice/palliative care becoming available to a majority of the population within five years. We also aim to influence the governments of the surrounding countries that do not currently have palliative care services or adequate systems in place to care for those who are terminally ill.

Our Structure

Hospices of Hope has two UK office bases, Otford and Edinburgh and a Trading Company which runs a chain of 13 charity shops in Kent, Surrey and Edinburgh.

We work through our partner organisations in Romania, Serbia and Moldova.

We also support our 'Beacon' project partners in Romania and other countries in the region.

Our Country Partners

ROMANIA	-	Hospice Casa Sperantei, Brasov and Bucharest
MOLDOVA	-	Hospice Angelus, Chisinau
SERBIA	-	BELhospice and the Prue Dufour Education Centre, Belgrade

Our "Beacon" Project Partners

ROMANIA	-	Casa Albert, Bacau; Emmanuel Hospice, Oradea; Something for Romania, Cluj; St Luke's Hospice, Laslea
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We have also trained medical professionals from...

ALBANIA	MONTENEGRO
BULGARIA	UKRAINE
HUNGARY	BOSNIA

Activities

Advocacy and Promotion of Hospice Care

In 2006 we said we would:

- Promote a national integrated palliative care network in Romania
- Advise on a public awareness campaign in Romania
- Facilitate more links between UK and USA hospices and hospices in our target countries
- Carry out further negotiations with the government of Serbia in order to change the legislation regarding NGO's and the provision of palliative care services
- Carry out an assessment visit to Moldova

In 2007 we:

- Received a commitment from the Health Minister to develop a National Plan for Palliative Care in Romania
- Helped devise a national palliative care awareness campaign
- Facilitated a link between Hospice Casa Sperantei and Rhode Island University and Simmons College, Boston
- Carried out an assessment visit of palliative care services in Moldova and established a Country Partner (Hospice Angelus, Chisinau)

In 2008 we will:

- Work with the Romanian Ministry of Health to develop a National Plan for Palliative Care
- Lobby for hospice care services in rural areas of Romania
- Work with our Moldovan partner to lobby the Moldovan government for better resources and support for hospice care
- Try to find a UK 'twinning-partner hospice' for Hospice Angelus, Moldova
- Continue lobbying the Serbian government for better legislation and funding
- Carry out an assessment visit to Albania

Technical Assistance

In 2006 we said we would:

- Assist Hospice Casa Sperantei with the implementation of a public awareness campaign
- Provide further technical assistance to all projects we are involved with in the region
- Advise on the operating of the out-patient clinic in Bucharest
- Help implement the HIV Project funded by the Community Fund in three cities

In 2007 we:

- Implemented a public awareness campaign in Romania
- Provided technical assistance to our Country Partners and Beacon Project Partners which included the first state-run hospice in Pascani, Romania
- Completed the out-patient clinic project in Bucharest
- Achieved a successful outcome for the first year of the HIV Project

In 2008 we will:

- Help implement a home-care service in Chisinau, Moldova
- Assist in piloting a mobile hospice service in two rural areas of Brasov County
- Advise on a new-build hospice project in Bucharest

Education and Training

In 2006 we said we would:

- Continue to lobby the Romanian Health Ministry to accredit a Palliative Care qualification for nurses
- Provide more opportunities for palliative care education through video-conferencing, particularly with Rhode Island University
- Run an HIV/AIDS awareness course for staff involved in the new Community Fund project

In 2007 we:

- Succeeded in obtaining an accredited qualification for Romanian nurses
- increased remote training opportunities with the help of our video-conferencing equipment
- ran three specialist courses for staff caring for patients with HIV/AIDS
- ran a series of courses across Romania on the use of Opioid drugs

In 2008 we will:

- Work with the Blue Heron Foundation to provide training and education for staff caring for children within State-run institutions in Romania in order to increase equality of care
- Provide management coaching for the senior leaders of Hospice Casa Sperantei
- Provide further training for our Serbian, Moldovan and "Beacon" partners

Funding of projects

In 2006 we said we would:

- Aim to raise sufficient funds to fulfil our objectives for our work in Romania and the surrounding countries
- Aim to fund the building of a hydrotherapy pool and sensory room for the children at Hospice Casa Sperantei
- Aim to raise money for new projects in Montenegro and Moldova
- Continue to support the 'Beacon of Hope' and 'Sharing the care' projects through the grants from GlaxoSmithKline and Vodafone
- Carry out a feasibility study of new in-patient units in Belgrade

In 2007 we:

- Funded and completed the building of a hydrotherapy pool and sensory room
- Raised sufficient funds to start a home-care project in Moldova
- Helped write a grant to fund a hospice start-up in Montenegro
- Supported the 'Beacon of Hope' and 'Sharing the care' projects funded by GlaxoSmithKline and Vodafone
- Completed a feasibility study for an in-patient unit in Belgrade

In 2008 we will:

- Aim to raise sufficient funds to fulfil our objectives for our work in Romania and the surrounding countries
- Launch an appeal to raise funds for a new hospice building in Bucharest
- Continue to build our donor base in the UK, USA and our partner countries

Fundraising Activities 2007

Our UK fundraising team worked hard to achieve donations and grants totalling £605,573 from a variety of sources including individual donors, corporate sponsors, foundations and trusts. A successful events programme produced a further £121,190. Our chain of charity shops produced a profit of £129,551 which was Gift Aided to the charity.

Financial Review

The financial position of the charity improved during 2007. The charity met its commitments to fund each of its country partners and provided extra funding from grant making trusts. It was also able to increase its unrestricted liquid reserves to meet the trustees' target level of four months' running costs for the UK office.

There was a restructuring of the trading company which operates the charity shops during the year. The shares in Ellenor Hospice Care Projects were donated to Hospices of Hope. This company was renamed Hospices of Hope Trading Limited. The entire profit from these shops was recognised during the year. In previous years, the profit had been transferred to the Ellenor Foundation Romanian Appeal. The Romanian Appeal was closed at the end of 2007, and the funds all transferred to Hospice of Hope Romania Ltd (£86,771). These will all be transferred to Hospice Casa Sperantei in Romania in accordance with the objects of the Romanian Appeal. This change of structure meant that all the profits made by the Trading Company were recognised in the charity in the year rather than when they were paid over as in the past. Typically there is a delay of 6 to 9 months between making profits and sending them to the charity. Also the book value of the trading company of £47,089 was recognised as a donation. Therefore the surplus for the year of £162,019 was significantly higher than it would have been, had the structure already been established.

The total income for the charity during the year was £914,425 (£992,323 in 2006). Fundraising, profit from charity shops and grant applications supplied sufficient funds to meet the running costs in the UK and to fund the partners. Of the major funders, three stand out:

- The Big Lottery Fund started funding the project providing palliative care for those with HIV and AIDS in Romania in December 2006; Income was £115,867 during the year.
- GlaxoSmithKline funded the final year of the "Beacon of Hope" project which finished on 30th June 2008; Income was £100,000 during the year.
- Profits from the chain of charity shops of £129,551

The total expenditure of £750,766 (£843,734 in 2006) was lower due to reduced transfers to Romania.

The total expenditure on charitable activities - £574,194 (£652,176 in 2006) was higher in 2006 because a capital appeal raised money to buy a building in Bucharest in 2006. There was no corresponding expenditure in 2007. The expenditure on Hospice Education and Grants for Hospice Care are both carried out through our partners, particularly Hospice Casa Sperantei in Romania. Therefore the expenditure on Hospice Education was lower at £51,607 (£66,542 in 2006) and grants for hospice care totalled £342,394 (£410,385 in 2006).

Expenditure on Advocacy and Promotion was £82,489 (£88,650 in 2006).

The expenditure on technical assistance was higher at £97,704 (£86,499 in 2006) due to the training of staff in the first year of the Big Lottery Project and the increased involvement of the Senior Staff in projects in Moldova and Serbia, and in Bucharest.

Corporate Governance

Hospice of Hope Romania Limited is a company limited by guarantee, governed by a Memorandum and Articles of Association. It was incorporated on 6th December 2000. The objects for which the Company is established are to:

Promote relief of sickness, and in particular to:

- Promote the care of persons in Central and Eastern Europe suffering from cancer or other life-threatening illnesses whether in hospitals, hospices, clinics or their own homes and to provide medical, nursing and other treatment and attention according to their needs, together with guidance and assistance for those caring for them
- Promote and encourage research into the care and treatment of persons suffering from cancer and other life-threatening illnesses
- Promote, encourage and assist in the teaching and training of doctors, nurses and others engaged in the care of such persons
- Relieve people suffering from shock or depression arising from bereavement by provision of counselling for the families and carers
- Promote and encourage the provision of care by all appropriate institutions and organisations in Central and Eastern Europe for persons suffering from advanced cancer and other life-threatening illnesses
- Assist by grants of money or other help to charitable or non-profit making institutions in furtherance of the above objects

The governing body of the charity is the Board of Trustees, which comprises 10 members and meets 5 or 6 times a year to review strategy and performance together with the Executive Director and the Deputy Director. The Trustees make decisions about policy and delegate executive decisions to the staff of the charity through the Executive Director and the staff. The charity also has a fundraising committee which comprises 10 members and also meets 5 or 6 times a year to 'brainstorm' fundraising ideas, network and contribute to the charity's fundraising plan. The Executive Director and the Fundraising manager carry out the decisions of this committee.

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 state of affairs of the company and of the incoming resources and application of resources of the company for that period. In preparing those accounts, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Recruitment and Appointment of Trustees

The trustees aim to maintain a board of ten members with a range of skills and experience. When vacancies in the board arise then new trustees are recruited by recommendation from trustees and friends of the charity. New trustees are then proposed to the board by the Chairman. Once appointed, trustees are given the Charity Commission's booklet about the responsibilities of being a Trustee and a summary of the history, personnel and activities of the charity.

Reserves

The trustees have adopted a reserves policy, which they consider appropriate to ensure the continued ability of the charity to meet its objectives. The charity aims to build reserves to a level which will provide a minimum of four months of unrestricted resources. Investment decisions are taken by the Board of Trustees.

Investments

The charity's investments policy is to maximise real returns through investment in special charity deposit accounts such as COIF.

Grant Making Policies

All projects that are accepted for assistance must be able to demonstrate that they fulfil the objectives of the charity. Rigorous controls and procedures are in place to ensure that grant money is spent on its intended purpose.

Risk

The trustees, through the executive director, have set policies on risk and internal controls.

They have identified the major risks as being:

- Political Instability in partner countries
- Currency Fluctuations
- Expectation of Large Salary increases in partner countries
- Key Staff Changes
- Sustainability of Income during economic downturn

The trustees have identified strategies to mitigate against each of these risks and respond to changes in perceived threats at their regular meetings.

This report was approved by the trustees on 8th July 2008 and was signed on their behalf:

A P F Bache
Chairman of Trustees

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HOSPICE OF HOPE ROMANIA LIMITED**

We have audited the financial statements of Hospice of Hope Romania Limited on pages 13 to 22 for the year ended 31 December 2007. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities.

This report is made solely to the charitable 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 charitable 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and auditors

The responsibilities of the trustees (who are also the directors of Hospice of Hope Romania Limited for the purposes of company law) for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' responsibilities.

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 whether the information given in the trustees' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

We read the trustees' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit 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 information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the charitable company's affairs as at 31 December 2007 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information provided in the trustees' report is consistent with the financial statements.

Creaseys LLP

Chartered Accountants
Registered Auditor

18 July 2008

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