

Hospice of Hope Romania Limited

(A Company Limited by Guarantee)

Operating as
“Hospices of Hope”

Annual Report and Accounts

31 December 2008

Registered Charity Number: 1088475 and SC040117
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

Linda Howard

Roger Northcott

Mihai Radoi

Ross Whitehill (Resigned 07.10.08)

Trevor Snuggs (Appointed 06.03.08)

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

Otford

Kent TN14 5PQ

UK

Registered Auditors

Creaseys LLP

12 Lonsdale Gardens

Tunbridge Wells

Kent TN1 1PA

Solicitors

Gough, Clinton & Broom

104 Bellegrave Road

Welling

Kent DA16 3QD

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

In spite of the challenges we faced during 2008 as a result of the onset of a world-wide recession, Hospices of Hope has continued to have a major impact on the development of hospice care in South Eastern Europe.

In January, we began our partnership with Hospice Angelus in the Republic of Moldova – the poorest country in Europe. With our support, they have now been able to set up the first multi-disciplinary team in Chisinau, the capital, and by the end of the year they were caring for 127 terminally ill adults and children.

The BELhospice team in Serbia continued to do excellent work even though the current legislation does not make it easy for charities to operate. Their educational activities helped to spread the hospice message.

Turning to Romania, we secured grants to enable Hospice Casa Sperantei to pioneer mobile hospice services in two very poor rural areas of Romania. We are hoping that they will become models that can be replicated in other rural parts of the country, where there is still widespread poverty and lack of medical support.

We are encouraged by the continued strengthening of relationships with the Romanian government and the gradual growth of the hospice movement in Romania, but the sad fact is that still only 5% of the people who need hospice care currently receive it. The percentage is even less in the other countries we work in. Therefore, we believe our work must go on with renewed vigour.

In October, Hospice Casa Sperantei was faced with having to make significant salary increases following huge rises in the State sector, or risk losing many of its medical staff. This had a major impact on our costs and resulted in having to make a few posts redundant and close down two services: the hospice school in Brasov and the hospital support team in Bucharest.

Our patron, the Duchess of Norfolk, launched an appeal to establish a new in-patient teaching hospice in Bucharest, but it was agreed to put this project on hold temporarily so that we could concentrate on sustaining our current projects.

In November 2008, we launched a special appeal to raise funds and were encouraged by the generous response from our funding partners and donors. It was gratifying that our income ended slightly higher than the previous year, and that we were able to give an additional £35,000 to our projects. We hope that we can maintain our level of income in 2009 and possibly re-start the appeal for the Bucharest hospice, which is so desperately needed.

During the year, in Romania, Serbia and Moldova, we also provided advice and expertise to the fundraising teams in order for them to increase their local fundraising, with excellent results. The Romanian fundraising team was particularly successful and it was heartening to see the response from the Brasov community, where it is clear that the hospice is held in the highest esteem and the local population did not want to see its services suffer as a result of the recession. It remains our objective that all the services we fund should eventually become self-sustaining.

Our charity shops continued to perform well, but the overall income was down on the previous year due to the opening of a new shop and refurbishment of two others.

Our trustees have a policy to keep 4 months running costs in reserve, which was achieved by the end of the year. Each trustee has been given a particular area of interest and responsibility in order to support the charity more effectively during the financial crisis. I know that our executive director and staff will continue to provide innovative leadership and commitment to ensure that our work to support the development of care for the terminally in South Eastern Europe continues.

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. 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 wholly owned Trading Company which runs a chain of 14 charity shops in South-East England and Edinburgh.

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

We also support other hospice and palliative care organisations in Central and Eastern Europe through the provision of advocacy, technical support, training and funding.

Our Country Partners

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

We have also trained medical professionals from...

ALBANIA
BULGARIA
HUNGARY
MACEDONIA
TAJKISTAN
GREECE

MONTENEGRO
UKRAINE
BOSNIA
UZBEKISTAN
RUSSIA
KAZAKHSTAN

Activities

ADVOCACY and PROMOTION

In 2007 we said we would:

- 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 Moldova
- Continue lobbying the Serbian government for better legislation and funding
- Carry out an assessment visit to Albania

In 2008 we:

- Started working on the National Plan for Palliative Care in Romania
- Found grants to start a mobile hospice pilot project in two rural areas of Romania
- Worked with Moldovan Ministry of Health to draft a contract for funding of palliative care services
- Found Dorothy House Hospice Bath to twin with Hospice Angelus Moldova
- Continued to lobby the Serbian Ministry of Health for a change in legislation
- Postponed assessment visit to Albania due to recession

In 2009 we will:

- Continue to work on developing a National Plan for Palliative Care and establish relationships with the new government following elections in Romania
- Continue to lobby the Romanian government to support home-care services in general and particularly in the rural areas
- Continue to lobby the Moldovan government for financial resources for palliative care
- Continue to persuade the Serbian Ministry of Health to change legislation relating to NGO's providing a medical service
- Aim to promote hospice services in our partner countries through World Hospice Day

TECHNICAL ASSISTANCE

In 2007 we said we would:

- 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
- Provide fundraising support for local fundraising teams

In 2008 we:

- Gave advice on establishing a home-care service in Moldova, now very successful
- Advised on the establishment of mobile services in two rural areas of Brasov County
- Continued to build capacity in the Romanian fundraising team as well as provide support and advice to the Moldovan and Serbian fundraisers

In 2009 we will:

- Provide advice to all our partners on steering their projects through a global recession
- Help consolidate services in Moldova and Serbia and advise on new developments

EDUCATION AND TRAINING

In 2007 we said we would:

- Work with the Blue Heron Foundation to provide training and education for staff caring for children within state-run institutions in Romanian to improve quality of care
- Provide management training for the senior leaders of Hospice Casa Sperantei and other services
- Provide further training for our Serbian, Moldova and 'Beacon' partners in all aspects of hospice and palliative care

In 2008 we:

- Completed the Blue Heron Project "Every child matters" leading to considerable improvement in the care of children with a life-limiting illness within Romanian institutions and contributed to a new "standards" document issued by the Ministry of Labour and Social Protection
- Held two sets of management training seminars for all senior staff involved in Hospice Casa Sperantei
- Provided training for all our country partners

In 2009 we will:

- Seek to help establish a medical diploma course in palliative care based in Romania, which will be available to doctors from all over Eastern Europe
- Identify and train two senior nurses in Moldova and Serbia in order to provide nurse trainers for the future

FUNDING

In 2007 we said we would:

- Aim to raise £866,350
- Launch an appeal to raise funds for a new hospice building in Bucharest
- Aim to further build our donor base in the UK and our partner countries in order to increase the funding available for our projects

In 2008 we:

- Raised £922,557
- Launched an appeal to raise funds for a new in-patient hospice in Bucharest. (Now on hold due to recession, but will be re-started as soon as possible)
- Successfully attracted 330 new donors

In 2009 we will:

- Aim to raise £742,000 (these budgets have been reduced from last year due to the worldwide recession)
- Help recruit and train a fundraiser for Hospice Angelus, Moldova and start local fundraising
- Continue to build capacity of our partner organisations and encourage Hospice Casa Sperantei (Brasov) to be self-sustainable by 2011

Financial Review

The financial position of the charity improved during 2008. The charity met its commitments to fund each of its country partners and provided extra funding from grant making trusts. It also increased its unrestricted liquid reserves to slightly above the trustees' target level of four months' running costs.

The total income for the charity during the year was £922,557 (£914,425 in 2007) 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 £139,840 during the year.
- GlaxoSmithKline funded the final part of the "Beacon of Hope" project which finished on 30th June 2008;
- Profits from the chain of charity shops were £84,788

The total expenditure of £828,092 (£750,766 in 2007) was higher due to increased support for the charity partners in Romania, Serbia and Moldova.

The percentage of expenditure which was used on the charitable activities increased to 81.4% (76.5% in 2007). The increase was due to more money being transferred to the partners in Eastern Europe, and more time being spent by staff on advocacy and promotion of hospice care in Romania, Serbia and Moldova.

Generating funds accounted for 18.0% (22.8% in 2007) of expenditure. The reduction in costs of generating funds was largely due to the transfer of the Deputy Director to the Romania partner at the end of 2007. This meant a reduction in fundraising salaries payable by Hospices of Hope. The charity also made a concerted effort to reduce fundraising and administrative costs wherever possible particularly during the last quarter.

0.6% of total expenditure (0.7% in 2007) was used for governance of the charity.

The Balance Sheet reflects the purchase of a property in Otford, Kent. The building currently houses three businesses including the Otford Tea Rooms, one of the charity shops run by Hospices of Hope Trading Limited. Ownership of the building ensures the retention of the Tea Rooms whose future is now assured. The purchase also establishes a permanent base in Otford for the charity. Otford is a key centre for our supporters and activities. The purchase was funded by a mortgage from Charity Bank together with donations and loans from supporters.

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.

Statement of trustees’ responsibilities

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 charitable company and of the incoming resources and application of resources of the charitable company for that period. In preparing these 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 charitable 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 charitable company and to enable them to ensure that the accounts comply with the Companies Act 1985 the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts

(Scotland) Regulations 2006. 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.

Provision of Information to auditors

Each of the persons who are trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

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. They are invited on an orientation visit and given further opportunities for training as required.

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 maintain reserves at 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 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 have in place a policy for the identification and mitigation of risks, and for ensuring that an appropriate system of internal controls is in place and working effectively.

The Trustees review risks at least annually and, as appropriate, systems and procedures have been established to mitigate the risks the charity faces. In particular, the significant risks to funding as a result of the economic downturn have led to the development of initiatives to improve funding and reduce expenditure, whilst ensuring the maintenance of an adequate reserve.

Internal controls have been established to minimise the risks associated with the authorisation of transactions and the safeguarding of assets, and to ensure that financial information is reliable. Procedures are in place to ensure compliance with relevant laws and regulations.

This report was approved by the trustees on 14th July 2009 and was signed on their behalf:

A P F Bache
Chairman of Trustees

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

We have audited the financial statements of Hospice of Hope Romania Limited for the year ended 31 December 2008, set out on pages 15 to 24. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985 and to the charity's trustees, as a body, in accordance with section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and the charity's trustees 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, its members as a body and its trustees 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006. 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 2008 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006; and
- the information given in the trustees' report is consistent with the financial statements.

Chartered Accountants
Registered Auditor

12 Lonsdale Gardens
Tunbridge Wells
Kent
TN1 1PA