

PARTNERS IN HOPE

A PRIVATE COMPANY LIMITED BY
GUARANTEE WITHOUT SHARE CAPITAL

REPORT AND FINANCIAL STATEMENTS

31ST MARCH, 2002



PARTNERS IN HOPE**COMPANY INFORMATION****DIRECTORS**

Guy de Selliers - Chairman
Lord Hylton
Lord Alton
Oliver J. McTernan
Florence Bachelard-Bakal - Treasurer
Lucy McCullagh
Laurence Brady

SECRETARY

Florence Bachelard-Bakal

REGISTERED OFFICE

St. Francis of Assisi Centre,
13 Hippodrome Place,
London,
W11 4SF.

COMPANY NUMBER

2688742

REGISTERED CHARITY NUMBER

1018750

AUDITORS

Roberts & Co.,
136 Kensington Church Street,
London,
W8 4BH.

BANKERS

HSBC Bank PLC,
69 Pall Mall,
London,
SW1Y 5EY.

PARTNERS IN HOPE

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their report and the audited financial statements of the Company for the year ended 31st March, 2002.

ACTIVITIES

The object for which Partners in Hope is established is to promote civil society initiatives in Russia, with special emphasis on social projects for vulnerable children, young people and families.

RESULTS FOR THE YEAR

The results for the year are set out in the statement of financial activities on page 7.

The Directors consider that the results for the year ended 31st March, 2002 were as anticipated and that the financial position at the end of the year was satisfactory.

CHANGE OF NAME

Under a special resolution registered by Registrar of Companies on 18th May, 2001, the name of the Company was changed from The St. Francis and St. Sergius Trust Fund to Partners in Hope.

REVIEW OF OPERATIONS AND PLANS FOR THE FUTURE

Partners in Hope reviewed its future direction and agreed that its focus should be on a fundraising strategy in Russia. Partners in Hope engaged the Agency for Social Information in Moscow to prepare a report on businesses involved in Corporate Social Responsibility (CSR) Programmes and the level of their contributions and commitments to the welfare sector.

Further, in the light of the review of our activities that we had undertaken in the previous year, it was felt that the projects that had been supported until then had become more self-sustaining and independent than when we first had offered them help. In addition the administrator who had worked for Partners in Hope felt that she was no longer able to sustain the level of work required of her and since she had been the main link with the projects it made it difficult to continue our relationship with them. When donations are received specifically designated to any of these original projects we ensure that the funds are passed on.

The Trustees felt that our contribution would be more effective if we were to seek out new projects that needed not only financial support but to whom we could offer assistance in developing organizational capacity building skills. ASI was engaged on a contractual basis to assist us in this endeavour. Projects were selected on the basis of the following criteria:

- i) A well-managed project, demonstrating good practice with a core staff team including but not limited to a Project Leader.
- ii) Cost-effective service provision and a project where Partners in Hope could make a demonstrable impact.
- iii) Projects that could be marketable in Russia and the UK.

PARTNERS IN HOPE

REPORT OF THE DIRECTORS

REVIEW OF OPERATIONS AND PLANS FOR THE FUTURE (continued)

iv) A Portfolio of projects that demonstrates that we are addressing a range of welfare issues

Six projects were selected after an initial visit covering a range of services to children in the community: for those suffering from learning disabilities, autism, street children, and children with terminal cancer. The review of focus for Partners in Hope accounts for the relatively low level of cash disbursements in the current financial year.

Our purpose now is to work closely with the project leaders in order to develop a strong case for support with which Partners in Hope can then approach the Corporate Sector in Russia and Grant-Making Trusts in the UK. Partners in Hope intends to run a training programme for members of the ASI team in the UK in order for them to build up confidence and understand more about approaching the Business Sector in Moscow for financial support.

PUBLISHED ACCOUNTS

The Company is a registered charity and as such is not a trading or profit making organisation. The financial statements have been prepared in the form set out in *Accounting and Reporting by Charities: Statement of Recommended Practice* issued in October 2000.

DIRECTORS

The following served as Directors of the Company throughout the year other than as noted below:-

Guy de Selliers - Chairman	D. MacAulay (resigned 30.5.2001)
Lord Hylton	Florence Bachelard-Bakal - Treasurer (appointed 4.7.2001)
Lord Alton	Lucy McCullagh (appointed 4.7.2001)
Oliver J. McTernan	Laurence Brady (appointed 14.6.2001)
F.I. Deiters (resigned 1.4.2001)	

None of the Directors has an interest in the Company other than certain Directors guaranteeing £1 each as a contribution to the Company in the event of liquidation.

RESPONSIBILITIES OF THE DIRECTORS

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable Company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Company will continue on that basis.

PARTNERS IN HOPE**REPORT OF THE DIRECTORS****RESPONSIBILITIES OF THE DIRECTORS (continued)**

The Directors are responsible for maintaining 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 financial statements comply with the Companies Act 1985. The Directors are also responsible for safeguarding the assets of the charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

Messrs. Roberts & Co. have expressed their willingness to continue in office. A resolution proposing their re-appointment will be submitted to the Annual General Meeting.

SMALL COMPANY EXEMPTIONS

The Directors have taken advantage of the special exemptions conferred by Part VII of the Companies Act 1985 applicable to small companies.

On behalf of the Board



Guy de Selliers

Director

18th February, 2003

PARTNERS IN HOPE**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF****PARTNERS IN HOPE**

We have audited the financial statements of Partners in Hope for the year ended 31st March, 2002 which comprise the profit and loss account, balance sheet and related notes set out on pages 7 to 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 opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Directors' Report is not consistent with the financial statements, if the company 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 directors' remuneration and transactions with the company is not disclosed.

We read the Directors' 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 United Kingdom Auditing Standards 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

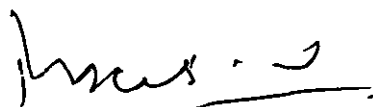
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

PARTNERS IN HOPE**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF****PARTNERS IN HOPE**

(continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March, 2002 and of the incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

**ROBERTS & CO**

Chartered Accountants and Registered Auditors

136 Kensington Church Street,
London, W8 4BH.

18th February, 2003

PARTNERS IN HOPE

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST MARCH, 2002

2002					2001			
		General	TACIS project			General	TACIS project	
	Unrestricted				Unrestricted			
Note	funds	Restricted funds		Total	funds	Restricted funds		Total
INCOME AND EXPENDITURE								
Incoming resources								
Donations	8,711	7,970	-	16,681	36,329	15,895	-	52,224
Tax refunds	409	-	-	409	-	-	-	-
European Commission grant	-	-	33,690	33,690	-	-	32,159	32,159
Bank interest received	1,745	-	-	1,745	4,015	-	21	4,036
Total incoming resources	10,865	7,970	33,690	52,525	40,344	15,895	32,180	88,419
Resources expended								
Russian office costs	6,033	-	-	6,033	6,635	-	-	6,635
Establishment expenses	2 2,391	-	-	2,391	2,253	-	-	2,253
Management and administration of the Charity	3 50,322	-	2,466	52,788	20,919	-	9,554	30,473
Deficit on exchange differences	-	-	309	309	-	-	944	944
Total resources expended	58,746	-	2,775	61,521	29,807	-	10,498	40,305
Net (outgoing)/incoming resources before distributions								
	(47,881)	7,970	30,915	(8,996)	10,537	15,895	21,682	48,114
DISTRIBUTIONS								
Transfer between funds	4,777	(4,777)	-	-	(12,147)	12,147	-	-
Distribution of restricted funds	-	(6,787)	-	(6,787)	-	(23,138)	(19,792)	(42,930)
NET (OUTGOING)/INCOMING RESOURCES - NET (DEFICIT)/SURPLUS FOR THE YEAR								
	(43,104)	(3,594)	30,915	(15,783)	(1,610)	4,904	1,890	5,184
FUND BALANCES BROUGHT FORWARD AT 31ST MARCH, 2001								
	67,847	20,376	1,890	90,113	69,457	15,472	-	84,929
FUND BALANCES CARRIED FORWARD AT 31ST MARCH, 2002								
	£24,743	£16,782	£32,805	£74,330	£67,847	£20,376	£1,890	£90,113

The accompanying notes form an integral part of these financial statements.

PARTNERS IN HOPE**BALANCE SHEET - 31ST MARCH, 2002**

	Note	2002	2001
FIXED ASSETS			
Tangible assets	7	2,759	2,779
CURRENT ASSETS			
Cash at bank and in hand		74,910	89,597
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	(3,339)	(2,263)
NET CURRENT ASSETS		71,571	87,334
NET ASSETS		£74,330	£90,113
CAPITAL			
Restricted funds		49,587	22,266
Unrestricted funds		24,743	67,847
		£74,330	£90,113

The Directors have taken advantage of the special exemptions conferred by Part VII of the Companies Act 1985, on the grounds that the Company is entitled to the benefit of those exemptions as a small company.

Guy de Selliers

- Director



These financial statements
were approved by the Directors
on 18th February, 2003.

PARTNERS IN HOPE**OTHER STATEMENTS****31ST MARCH, 2002****CONTINUING ACTIVITIES**

All amounts relate to continuing activities.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

All recognised gains and losses are included in the Statement of Financial Activities on page 7.

NOTE OF HISTORICAL COST SURPLUSES AND DEFICITS

There is no material difference between the reported result for the year ended 31st March, 2002 and the result for the year restated on an historical cost basis.

RECONCILIATION OF MOVEMENTS IN RESERVES

The whole of the movement in reserves in the year is shown in the Statement of Financial Activities on page 7.

PARTNERS IN HOPE**NOTES TO THE FINANCIAL STATEMENTS****31ST MARCH, 2002****1. ACCOUNTING POLICIES**

- **Basis of accounting**

These financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention and the Companies Act 1985 and follow the recommendations in *Accounting and Reporting by Charities: Statement of Recommended Practice* issued in October 2000.

- **Recognition of income**

Income and expenditure is included in these financial statements on an accruals basis. No accrual is made for any donations which may be received after 31st March, 2002. Income consists of grants and donations.

- **Depreciation**

Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life which in all cases is estimated at ten years.

- **Taxation**

The charitable Company is exempt from corporation tax on its charitable activities.

- **Unrestricted funds**

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

- **Restricted funds**

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets this criteria is charged to the fund.

- **Changes in presentation**

Where changes in presentation have been made the comparative figures have been adjusted accordingly.

PARTNERS IN HOPE**NOTES TO THE FINANCIAL STATEMENTS****31ST MARCH, 2002****2. ESTABLISHMENT EXPENSES**

	2002	2001
	Unrestricted funds	
Rent and rates	1,815	1,815
Insurance	229	221
Light and heat	347	217
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	£2,391	£2,253
	<hr/>	<hr/>

3. MANAGEMENT AND ADMINISTRATION OF THE CHARITY

	2002			2001		
	General	TACIS		General	TACIS	
	Unrestricted	Restricted funds	Unrestricted	Unrestricted	Restricted funds	Unrestricted
	funds		funds	funds		funds
Salaries	38,548	-	-	12,509	-	-
Consultancy charges	1,027	-	1,248	1,338	-	-
General administrative expenses	2,187	-	-	1,038	-	-
Auditors' remuneration						
- current year	1,763	-	-	1,763	-	-
- prior year adjustment	-	-	-	411	-	-
Depreciation	920	-	-	927	-	-
Bank charges	198	-	50	365	-	470
Bank guarantee fees	-	-	1,168	-	-	1,234
Telephone	2,280	-	-	1,876	-	104
Travel and accommodation	2,122	-	-	587	-	6,588
Publicity and fundraising	1,277	-	-	105	-	-
Translation and visa expenses	-	-	-	-	-	1,158
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	£50,322	-	£2,466	£20,919	-	£9,554
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

PARTNERS IN HOPE**NOTES TO THE FINANCIAL STATEMENTS****31ST MARCH, 2002****4. NET (OUTGOING)/INCOMING RESOURCES FOR THE YEAR**

	2002	2001
Net (outgoing)/incoming resources for the year are stated after charging:-		
Depreciation	£920	£927
Auditors' remuneration	£1,763	£1,763
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5. EMOLUMENTS OF THE DIRECTORS

No emoluments have been paid to the Directors (2001 - none).

6. LIABILITY OF MEMBERS

Liability of Members is limited by guarantee not exceeding £1 each.

7. TANGIBLE ASSETS

Cost	Office equipment
At 31st March, 2001	7,130
Additions	900
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At 31st March, 2002	8,030
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Depreciation	
At 31st March, 2001	4,351
Charge for year	920
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At 31st March, 2002	5,271
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Net book values	
At 31st March, 2002	£2,759
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At 31st March, 2001	£2,779
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PARTNERS IN HOPE**NOTES TO THE FINANCIAL STATEMENTS****31ST MARCH, 2002****8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2002	2001
Accruals	£3,339	£2,263
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