

Companies House

2688742

PARTNERS IN HOPE
A PRIVATE COMPANY LIMITED BY
GUARANTEE WITHOUT SHARE CAPITAL
REPORT AND FINANCIAL STATEMENTS
31ST MARCH, 2008

WEDNESDAY



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COMPANIES HOUSE

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PARTNERS IN HOPE**COMPANY INFORMATION****TRUSTEES AND MEMBERS OF THE MANAGEMENT COMMITTEE**

Guy de Selliers de Moranville - Chairman
Oliver J. McTernan
Richard Wallace
Julia Zagonek

SECRETARY

M. Wansbrough

REGISTERED OFFICE

136 Kensington Church Street,
London,
W8 4BH.

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 TRUSTEES

The Trustees, who are also directors of the charity for the purposes of the Companies Act, present their report and audited financial statements for the year ended 31st March, 2008. This report also represents the Trustees' Report which is required to be prepared by Part VI of the Charities Act 1993.

INCORPORATION AND LEGAL STATUS

The charity is constituted as a company limited by guarantee and is governed by a Memorandum and Articles of Association. As a charitable company, the Company is not required to formally describe itself as 'Limited'.

OBJECTS OF THE CHARITY, PRINCIPAL ACTIVITIES AND ORGANISATION

The charity's objects are to relieve poverty and sickness, advance education and protect and preserve the health of needy persons, especially vulnerable children young people and their families in the Russian Federation and other territories of the former Soviet Union.

The charity is organised so that the Trustees meets regularly during the year to manage its affairs.

There is a full-time administrator who manages the day-to-day affairs of the charity.

The Trustees determined from the outset that the primary purpose of the charity is to promote civil society initiatives in Russia, with special emphasis on social projects for vulnerable children, young people and families.

REVIEW OF OPERATIONS

This has been a year of change in the direction of Partners in Hope as a result of consultation with our project partners. All the projects were facing the same problem: a chronic lack of trained staff to work with children with learning disabilities. Waiting lists in Moscow-based organisations were growing as an increasing number of parents would travel from the regions for diagnosis and educational support.

The new focus on the training of special needs teachers in Moscow and the regions would release a new energy in terms of funding and cooperation with the regional governments which we hope will leverage the support of local businesses. The first step was to ensure that the revenue costs for teachers salaries in projects previously supported through Partners in Hope were not in jeopardy. In most cases the projects had been adopted by businesses to whom we had introduced them and who were happy to continue their support. We ceased to fund three projects and took on two new ones that more accurately reflected the focus of training and education. These were the Centre for Curative Pedagogics who had nineteen years experience of training special needs staff and early diagnosis skills and Bolshaya Peremena who work with orphan graduates helping them make the transition from institutional care to independent life and the workplace.

We commissioned a research report to assess the provision of services across the sector by interviewing parents, learning disabled youth, orphan graduates, NGO's and State establishments and members of the business community. The purpose was to understand where the gaps were and how many young children with disability were not receiving an education. The research covered eight regions including Moscow. *'The Inside Out Report - looking at the child behind the disability'* will be launched early next year with the endorsement of Unicef and other key members of the business community and government.

PARTNERS IN HOPE

REPORT OF THE TRUSTEES

REVIEW OF OPERATIONS (continued)

In November 2007 we employed a new Moscow Director with excellent credentials and experience in the disability sector. In February 2008 we launched our pilot programme in response to the raw data we were receiving that there was an urgent need to increase the number of special needs staff both in state schools and in the NGO sector. We scheduled 8 seminars in the regions which were quickly oversubscribed by staff working in State sponsored schools. This in turn opened up new opportunities for collaborative partnerships introducing the remarkable expertise of the NGO privately funded sector to the idea of integrating special needs children into mainstream education.

TRANSACTIONS AND FINANCIAL POSITION

The Statement of Financial Activities shows a net surplus for the year of £35,198 (being net movement in funds). Reserves stand at £164,628 in total, with £151,882 being free reserves (see below for Reserves policy).

TANGIBLE FIXED ASSETS FOR USE BY THE CHARITY

Details of movements in fixed assets are set out in note 11 to the financial statements. There have been no significant changes.

INVESTMENT POLICY AND RETURNS

Under the Memorandum and Articles of Association, the charity has the power to make any investment which the Trustees see fit. The Trustees have considered the most appropriate policy for investing funds, and hold the majority of the charity's funds on CAF Bond Income Fund units. The Trustees consider the return from these investments to be satisfactory.

RESERVES

The Trustees have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets the charity holds ('the free reserves') should be at a level whereby the Trustees would be able to carry on the charity's activities in the event of a significant drop in funding.

DIRECTORS AND TRUSTEES

All Members of the Management Committee are also Trustees of the charity, and there are no other Trustees. The Board has the power to appoint additional Trustees as it considers fit to do so. The Trustees who served during the year were as follows:

Guy de Selliers de Moranville - Chairman
 Lord Hylton (resigned 20th January, 2008)
 Oliver J. McTernan
 Florence Bachelard Bakal (resigned 15th March, 2008)
 George Tyler (resigned 7th January, 2008)
 Richard Wallace (appointed 27th May, 2007)
 Julia Zagonek (appointed 1st November, 2007)

PARTNERS IN HOPE

REPORT OF THE TRUSTEES

RISK MANAGEMENT

The Trustees actively review the major risks which face the charity on a regular basis. They believe that maintaining reserves at adequate levels, combined with an annual review of the controls over key financial systems will provide sufficient resources in the event of adverse conditions. The Trustees have also examined other operational and business risks faced by the charity, and believes that the systems in place to mitigate significant risks, combined with an ongoing programme of risk identification by senior staff, offers the charity adequate protection.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Trustees are required by company law to prepare financial statements for each financial year which give a true and fair view of the financial activities of the charity and of its financial position at the end of that year. In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the policies adopted are in accordance with the Companies Act 1985 and with applicable accounting standards and statements of recommended practice, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charity will continue in operation.

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

In accordance with company law, as the company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

AUDITORS

Roberts & Co. have expressed their willingness to continue in office. A resolution proposing their re-appointment as auditors of the charity will be put to the Annual General Meeting.

PARTNERS IN HOPE**REPORT OF THE TRUSTEES****PREPARATION OF REPORT**

This report has been prepared in accordance with the Statement of Recommended Practice: *Accounting and Reporting by Charities* (SORP 2005) issued in March 2005 and in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small entities.

APPROVAL

This report was approved by the Management Committee and Trustees on 18th December, 2008 and signed on their behalf.



Guy de Selliers de Moranville
Trustee

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

We have audited the financial statements of Partners in Hope for the year ended 31st March, 2008 on pages 8 to 17 which have been prepared under the historical cost convention and the accounting policies set out on pages 11 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 Trustees and Auditors

As described on page 5 the charity's Trustees who are also the directors of Partners in Hope for the purposes of company law are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (U.K. 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, if in our opinion, the Report of the Trustees is not consistent with the financial statements, if the charitable 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 Trustees' remuneration and transactions with the company is not disclosed.

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

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (U.K. 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.

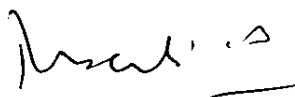
PARTNERS IN HOPE**REPORT OF THE INDEPENDENT AUDITORS' TO THE MEMBERS OF****PARTNERS IN HOPE**

(continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st March, 2008 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' report is consistent with the financial statements.

**ROBERTS & CO**

Chartered Accountants and Registered Auditors

136 Kensington Church Street,
London, W8 4BH.

PARTNERS IN HOPE**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING AN INCOME AND
EXPENDITURE ACCOUNT)****FOR THE YEAR ENDED 31ST MARCH, 2008**


				2008	2007
	Note	Unrestricted	Restricted	Total	Total
INCOME AND EXPENDITURE					
Incoming resources					
Donations		118,848	62,004	180,852	53,647
CAF income distributions		4,990	-	4,990	7,879
Tax recoverable		4,231	-	4,231	-
Surplus on exchange differences		234	-	234	1,153
		<hr/>	<hr/>	<hr/>	<hr/>
Total incoming resources		128,303	62,004	190,307	62,679
		<hr/>	<hr/>	<hr/>	<hr/>
Resources expended					
Charitable expenditure	4	7,553	54,540	62,093	35,398
		<hr/>	<hr/>	<hr/>	<hr/>
Fundraising and publicity	5	58,412	-	58,412	53,944
Establishment expenses	6	2,258	-	2,258	7,900
Governance costs	7	31,695	-	31,695	27,414
		<hr/>	<hr/>	<hr/>	<hr/>
Total management and administration expenses		92,365	-	92,365	89,258
		<hr/>	<hr/>	<hr/>	<hr/>
Total resources expended		99,918	54,540	154,458	124,656
		<hr/>	<hr/>	<hr/>	<hr/>
NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR					
	8	28,385	7,464	35,849	(61,977)
Deficit on revaluation and sale of investment	12	(651)	-	(651)	(6,177)
Transfer between funds		27,374	(27,374)	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
NET MOVEMENT IN FUNDS		55,108	(19,910)	35,198	(68,154)
FUND BALANCES BROUGHT FORWARD AT 31ST MARCH, 2007					
		96,774	32,656	129,430	197,584
		<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCES CARRIED FORWARD AT 31ST MARCH, 2008					
		£151,882	£12,746	£164,628	£129,430
		<hr/>	<hr/>	<hr/>	<hr/>

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

PARTNERS IN HOPE**BALANCE SHEET - 31ST MARCH, 2008**

	Note	2008	2007
FIXED ASSETS			
Tangible assets	11	3,121	3,499
Investments	12	141,536	107,187
		<hr/>	<hr/>
		144,657	110,686
CURRENT ASSETS			
Debtors	13	3,677	-
Cash at bank and in hand		20,815	21,682
		<hr/>	<hr/>
		24,492	21,682
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	14	(4,521)	(2,938)
		<hr/>	<hr/>
NET CURRENT ASSETS		19,971	18,744
		<hr/>	<hr/>
NET ASSETS	15	£164,628	£129,430
		<hr/>	<hr/>
CAPITAL			
Restricted funds		12,746	32,656
Unrestricted funds		151,882	96,774
		<hr/>	<hr/>
		£164,628	£129,430
		<hr/>	<hr/>

The Members of the Management Committee 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 de Moranville - Trustee

These financial statements were approved
by the Members of the Management
Committee on 18th December, 2008.

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

PARTNERS IN HOPE**OTHER STATEMENTS****31ST MARCH, 2008****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 8.

NOTE OF HISTORICAL COST SURPLUSES AND DEFICITS

There is no material difference between the reported result for the year ended 31st March, 2008 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 8.

PARTNERS IN HOPE

NOTES TO THE FINANCIAL STATEMENTS

31ST MARCH, 2008

1. ACCOUNTING POLICIES

- **Basis of preparation of accounts**

The financial statements have been prepared under the historical cost convention, in accordance with the Statement of Recommended Practice: *Accounting and Reporting by Charities* (SORP 2005) issued in March 2005, applicable accounting standards and the Companies Act 1985.

- **Cashflow statement**

The charity has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cashflow statement on the grounds that it qualifies as a small charity.

- **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:

- Income from donations and grants, including capital grants, is included in incoming resources when these are receivable, except as follows:
 - When donors specify that donations and grants given to the charity must be used in future accounting years, the income is deferred until those years.
 - When donors impose conditions and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable. Income from fundraising ventures is shown gross with the associated costs included in fundraising costs.
- Voluntary income is received by way of grants, donations and legacies and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these financial statements.

PARTNERS IN HOPE

NOTES TO THE FINANCIAL STATEMENTS

31ST MARCH, 2008

1. ACCOUNTING POLICIES (continued)

- **Resources expended**

Expenditure is recognised on an accrual basis as a liability is incurred:

- Costs of generating funds comprise the costs associated with attracting voluntary income. Fundraising expenditure comprises costs incurred in inducing people and organisations to contribute financially to the charity's work and includes the cost of advertising for donations.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Expenditure on management and administration of the charity includes all expenditure not directly related to the charitable activity or fundraising ventures.
- All costs are allocated between the expenditure categories in the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.
- All costs are inclusive, where relevant, of any VAT which cannot be recovered.

- **Tangible fixed assets**

Tangible fixed assets are depreciated on a straight-line basis over their estimated useful lives as follows:

Office equipment	10 years
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- **Investments**

Investments held as fixed assets are revalued at mid-market value at the balance sheet date and the gain or loss taken to the Statement of Financial Activities.

- **Foreign exchange transactions**

Transactions in foreign currencies are recorded at an average rate of exchange for the year. Assets and liabilities denominated in foreign currencies are similarly translated at an average rate of exchange. All differences are taken to the Statement of Financial Activities.

PARTNERS IN HOPE

NOTES TO THE FINANCIAL STATEMENTS

31ST MARCH, 2008

1. ACCOUNTING POLICIES (continued)

- **Fund accounting**

Funds held by the charity are either:

- *Unrestricted general funds* – these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.
- *Restricted funds* – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to these financial statements.

- **Changes in presentation**

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

2. LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1.

3. RELATED PARTY TRANSACTIONS

The charity has relationships with a large number of organisations and individuals who contribute funds either to support specific objectives or as general funding to support the administration of the charity to enable it to carry out its charitable objectives.

The charity Trustees were not paid during the year and no charity Trustee received any emolument or payment for professional or other services.

In view of the charity's legal status the charity Trustees consider that there was no ultimate controlling party to be disclosed under the provisions of Financial Reporting Standard No. 8.

PARTNERS IN HOPE**NOTES TO THE FINANCIAL STATEMENTS****31ST MARCH, 2008****4. CHARITABLE EXPENDITURE**

	2008		2007	
	Unrestricted	Restricted	Unrestricted	Restricted
Grants	-	54,540	3,418	19,617
Project monitoring	7,553	-	12,363	-
	<u>£7,553</u>	<u>£54,540</u>	<u>£15,781</u>	<u>£19,617</u>

5. FUNDRAISING AND PUBLICITY

	2008		2007	
	Unrestricted		Unrestricted	Restricted
Consultancy charges	13,250		10,617	-
Travel and accommodation and general expenses in Moscow	10,257		8,210	-
Telephone	1,492		2,800	-
Salaries - UK	13,981		8,287	-
- Russia	18,501		-	16,100
Advertising and publicity including website	931		7,930	-
	<u>£58,412</u>		<u>£37,844</u>	<u>£16,100</u>

6. ESTABLISHMENT EXPENSES

	2008	2007
	Unrestricted	
Rent, rates and services – Russian office	337	6,011
Storage charges	1,921	1,889
	<u>£2,258</u>	<u>£7,900</u>

PARTNERS IN HOPE**NOTES TO THE FINANCIAL STATEMENTS****31ST MARCH, 2008****7. GOVERNANCE COSTS**

	2008	2007
	Unrestricted	
Salaries	21,453	18,144
General administrative expenses	5,770	4,056
Auditors' remuneration	2,875	2,938
Depreciation	578	525
Bank charges	172	370
Book-keeping	847	1,259
Legal charges	-	122
	<hr/>	<hr/>
	£31,695	£27,414
	<hr/>	<hr/>

8. NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR

	2008	2007
Net incoming/(outgoing) resources for the year are stated after charging:-		
Depreciation	£578	£525
Auditors' remuneration	£2,875	£2,938
	<hr/>	<hr/>

9. EMOLUMENTS OF THE MEMBERS OF THE MANAGEMENT COMMITTEE

No emoluments have been paid to any member of the Management Committee (2007 - none).

10. TAXATION

As a charity, Partners in Hope is exempt from tax on income or gains falling within Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

PARTNERS IN HOPE**NOTES TO THE FINANCIAL STATEMENTS****31ST MARCH, 2008****11. TANGIBLE ASSETS**

	Office equipment
Cost	
At 31st March, 2007	5,574
Additions	200
	<hr/>
At 31st March, 2008	5,774
	<hr/>
Depreciation	
At 31st March, 2007	2,075
Charge for year	578
	<hr/>
At 31st March, 2008	2,653
	<hr/>
Net book values	
At 31st March, 2008	£3,121
	<hr/>
At 31st March, 2007	£3,499
	<hr/>

12. INVESTMENTS

	2008	2007
Unlisted		
At 31st March, 2007	107,187	176,445
Additions/(disposals)	35,000	(63,081)
Deficit arising from disposal and change in value	(651)	(6,177)
	<hr/>	<hr/>
At 31st March, 2008	£141,536	£107,187
	<hr/>	<hr/>

PARTNERS IN HOPE**NOTES TO THE FINANCIAL STATEMENTS****31ST MARCH, 2008****12. INVESTMENTS (continued)**

The above deficit represents the unrealised decrease in value over the period the investment has been held and arises by comparing the market value of the investment at the beginning and end of the financial year as adjusted by transactions during each year.

The charity's investment is comprised of CAF Bond Income Fund units managed by Charities Aid Foundation.

13. DEBTORS

	2008	2007
Prepayments	3,180	-
Other debtors	497	-
	<hr/>	<hr/>
	£3,677	-
	<hr/>	<hr/>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
Tax and social security	1,076	-
Accruals	2,875	2,938
Other creditors	570	-
	<hr/>	<hr/>
	£4,521	£2,938
	<hr/>	<hr/>

15. ANALYSIS OF NET ASSETS BETWEEN THE FUNDS

	<hr/> 2008 <hr/>			<hr/> 2007 <hr/>		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
Tangible fixed assets	3,121	-	3,121	3,499	-	3,499
Investments	128,790	12,746	141,536	74,531	32,656	107,187
Net current assets	19,971	-	19,971	18,744	-	18,744
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	£151,882	£12,746	£164,628	£96,774	£32,656	£129,430
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>