

Companies House

2638742

PARTNERS IN HOPE

A PRIVATE COMPANY LIMITED BY
GUARANTEE WITHOUT SHARE CAPITAL

REPORT AND FINANCIAL STATEMENTS

31ST MARCH, 2003



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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, 2003.

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, 2003 were as anticipated and that the financial position at the end of the year was satisfactory.

REVIEW OF OPERATIONS AND PLANS FOR THE FUTURE

There are currently seven projects in our Portfolio, six of which are based in Moscow and address the needs of children with learning disabilities, autism and hospice care for children with cancer. We were able to make initial grants to each project to help with their staff and equipment costs. We have been working with the project leaders to help them produce thorough reporting documents on all their activities to help them plan their financial needs in advance.

Our seventh new project is based in Perm, in the Urals. This project has been running for seven years and is making enormous impact on the life of street children in this bleak city. They are offering access to a day centre, a 24 hour shelter provided the children make a commitment to return to school and a training and psychological support centre for teenagers. Partners in Hope will be funding the salary of a permanent member of house staff in the Two Steps to Home night shelter.

Our partners at the Agency for Social Information attended a Corporate Fundraising Workshop which was organised by Partners in Hope in London over four days in December 2002. From this we were able to establish a work programme, which included retaining the services on a consultancy basis of one of the independent corporate fundraisers. The fundraiser is working with ASI advising them on how to approach and develop new corporate contacts on an ongoing basis. We intend to organise for the Publicity Managers from companies to visit the projects on group excursions in order to foster dialogue and to give Partners in Hope the opportunity to present our case.

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.

PARTNERS IN HOPE

REPORT OF THE DIRECTORS

DIRECTORS

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

Guy de Selliers - Chairman
Lord Hylton
Lord Alton
Oliver J. McTernan

Florence Bachelard-Bakal - Treasurer
Lucy McCullagh
Laurence Brady

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.

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.

PARTNERS IN HOPE**REPORT OF THE DIRECTORS****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

19th January, 2004

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, 2003 which comprise the profit and loss account, balance sheet and related notes set out on pages 7 to 14.

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.

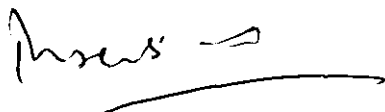
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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, 2003 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.

19th January, 2004

PARTNERS IN HOPE

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31ST MARCH, 2003

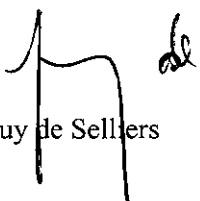
	Note	Unrestricted funds	Restricted funds		Total	Total
			TACIS project	Other		
INCOME AND EXPENDITURE						
Incoming resources						
Legacies		260,000	-	-	260,000	-
Donations		159,004	-	11,198	170,202	16,681
Tax refunds		-	-	-	-	409
European Commission grant		-	-	-	-	33,690
Bank interest received		994	-	-	994	1,745
CAF income distributions		8,600	-	-	8,600	-
Commissions		476	-	-	476	-
Surplus on exchange differences		-	3,669	-	3,669	-
Total incoming resources		429,074	3,669	11,198	443,941	52,525
Resources expended						
Charitable expenditure						
• Grants		22,459	19,073	15,539	57,071	6,787
• Support costs	3	-	1,368	-	1,368	2,466
Total charitable expenditure		22,459	20,441	15,539	58,439	9,253
Fundraising and publicity	4	32,829	-	-	32,829	27,222
Russian office costs		-	-	-	-	757
Establishment expenses	5	3,194	-	-	3,194	2,391
Management and administration of the Charity	6	26,892	-	-	26,892	28,376
Deficit on exchange differences		-	-	-	-	309
Total management and administration expenses		62,915	-	-	62,915	59,055
Total resources expended		85,374	20,441	15,539	121,354	68,308
NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR						
	7	343,700	(16,772)	(4,341)	322,587	(15,783)
Loss on sale of investment		(101)	-	-	(101)	-
Gain on revaluation of investment		1,435	-	-	1,435	-
Transfer between funds		2,249	-	(2,249)	-	-
NET MOVEMENT IN FUNDS		347,283	(16,772)	(6,590)	323,921	(15,783)
FUND BALANCES BROUGHT FORWARD AT 31ST MARCH, 2002						
		24,743	32,805	16,782	74,330	90,113
FUND BALANCES CARRIED FORWARD AT 31ST MARCH, 2003						
		£372,026	£16,033	£10,192	£398,251	£74,330

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


PARTNERS IN HOPE**BALANCE SHEET - 31ST MARCH, 2003**

	Note	2003	2002
FIXED ASSETS			
Tangible assets	9	3,812	2,759
Investments	10	358,334	-
		<hr/>	<hr/>
		362,146	2,759
CURRENT ASSETS			
Cash at bank and in hand		39,740	74,910
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
	11	(3,635)	(3,339)
		<hr/>	<hr/>
NET CURRENT ASSETS		36,105	71,571
		<hr/>	<hr/>
NET ASSETS		£398,251	£74,330
		<hr/>	<hr/>
CAPITAL			
Restricted funds		26,225	49,587
Unrestricted funds		372,026	24,743
		<hr/>	<hr/>
		£398,251	£74,330
		<hr/>	<hr/>

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 19th January, 2004.

PARTNERS IN HOPE**OTHER STATEMENTS****31ST MARCH, 2003****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, 2003 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, 2003

1. ACCOUNTING POLICIES

- **Basis of preparation of accounts**

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, *Accounting and Reporting by Charities* (SORP 2000) issued in October 2000, 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.

- **Donations and grants**

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.

- **Interest receivable**

Interest is included when receivable by the charity.

- **Resources expended**

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered. 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.

Expenditure on management and administration of the charity includes all expenditure not directly related to the charitable activity or fundraising ventures. This includes costs of renting and running office premises, staff salaries for administrative staff and audit fees.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories.

PARTNERS IN HOPE

NOTES TO THE FINANCIAL STATEMENTS

31ST MARCH, 2003

1. ACCOUNTING POLICIES (continued)

- **Tangible fixed assets**

Tangible fixed assets are depreciated at rates calculated to write off the cost of each asset over its estimated useful life as follows:

Office equipment	10 years
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- **Taxation**

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

- **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.

- **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.

PARTNERS IN HOPE**NOTES TO THE FINANCIAL STATEMENTS****31ST MARCH, 2003****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. SUPPORT COSTS

	2003	2002
	Restricted funds – TACIS project	
Consultancy charges	1,112	1,248
Bank guarantees fees	-	1,168
Bank charges	256	50
	<hr/>	<hr/>
	£1,368	£2,466
	<hr/>	<hr/>

4. FUNDRAISING AND PUBLICITY

	2003	2002
Training costs – Agency for Social Information	5,478	-
Consultancy charges	3,116	1,027
Travel and accommodation	2,761	2,122
Telephone	1,488	1,520
Salaries- UK	16,000	16,000
- Russia	1,839	5,276
Advertising	2,147	1,277
	<hr/>	<hr/>
	£32,829	£27,222
	<hr/>	<hr/>

PARTNERS IN HOPE**NOTES TO THE FINANCIAL STATEMENTS****31ST MARCH, 2003****5. ESTABLISHMENT EXPENSES**

	2003	2002
	Unrestricted funds	
Rent and rates	1,815	1,815
Insurance	240	229
Light and heat	223	347
Cleaning	916	-
	<hr/>	<hr/>
	£3,194	£2,391
	<hr/>	<hr/>

6. MANAGEMENT AND ADMINISTRATION OF THE CHARITY

	2003	2002
	Unrestricted funds	
Salaries	20,394	22,548
General administrative expenses	2,491	2,187
Auditors' remuneration	1,763	1,763
Depreciation	1,274	920
Bank charges	226	198
Telephone	744	760
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	£26,892	£28,376
	<hr/>	<hr/>

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

	2003	2002
Net incoming/(outgoing) resources for the year are stated after charging:-		
Depreciation	£1,274	£920
Auditors' remuneration	£1,763	£1,763
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8. EMOLUMENTS OF THE DIRECTORS

No emoluments have been paid to the Directors (2002 - none).

PARTNERS IN HOPE**NOTES TO THE FINANCIAL STATEMENTS****31ST MARCH, 2003****9. TANGIBLE ASSETS**

	Office equipment
Cost	
At 31st March, 2002	8,030
Additions	2,327
	<hr/>
At 31st March, 2003	10,357
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Depreciation	
At 31st March, 2002	5,271
Charge for year	1,274
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At 31st March, 2003	6,545
	<hr/>
Net book values	
At 31st March, 2003	£3,812
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At 31st March, 2002	£2,759
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10. INVESTMENTS**Unlisted**

At 31st March, 2002	-
Additions	369,000
Disposals	(12,101)
Profit arising from change in value	1,435
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At 31st March, 2003	£358,334
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11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003	2002
Accruals	£3,635	£3,339
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