

Charity Registration No. CHY14229

Company Registration No. 336502

OUTREACH MOLDOVA LIMITED
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 2002

OUTREACH MOLDOVA LIMITED

INFORMATION

Trustees / Directors

Anthony Dempsey
Desmond O'Connell
Suzanne O'Connell

Members

Anthony Dempsey
Desmond O'Connell
Suzanne O'Connell
Paul Mangan
Liane Donnelly
Anne Fitzgerald
Ian Mathews

Charity number

CHY14229

Company number

336502

Principal address

37 Oakdene
Ballinclea Road
Killiney
Co. Dublin
Ireland

Registered office

37 Oakdene
Ballinclea Road
Killiney
Co. Dublin
Ireland

Auditors

JPA Brenson Lawlor
Chartered Accountants
Registered Auditors
Argyle Square
Morehampton Road
Donnybrook
Dublin 4

Bankers

Bank of Ireland
Trinity Branch
Dublin
Ireland

Solicitors

Maxwell, Weldon & Darley
Dublin
Ireland

OUTREACH MOLDOVA LIMITED

CONTENTS

	Page
Trustees' report	1 - 3
Auditors' report	4 - 5
Statement of financial activities	6
Balance sheet	7
Cash Flow Statement	8 - 9
Notes to the accounts	10 - 12
Management Information	13 - 15

OUTREACH MOLDOVA LIMITED

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2002

The trustees present their report and accounts for the year ended 31 December 2002.

Objects of the charity

The charity is a company limited by guarantee without a share capital. The charity provides assistance to an orphanage for young girls in Hincesti in the Republic of Moldova. Its primary objectives are to provide:

- Medical care, equipment and medications.
- A building and renovation programme.
- Nutritious food and warm clothing.
- A healthier and happier living environment for the children.

Review of activities and future developments

During the period volunteers were recruited in Ireland and brought to Moldova where they renovated the orphanage and assisted in looking after the children. In addition to the building programme the main activities over the period were aimed at establishing a profile on the health of every child and putting in place a medication and health programme aimed at restoring each child to full health. A number of projects carried out in the year included the provision of a playground, dental surgery, hairdressing salon, paved pathways, bathrooms and electrics. The construction of a new kitchen and restaurant was also carried out. This was co financed by a Government Grant. The Statement of Financial Activities for the period is set out on page 6 of the financial statements. A summary of the financial results and the work of the charity is set out below.

Income generation

The following income was generated during the period:

- Humanitarian Aid consisting of furniture, clothing, food, medicines, toys and nappies with a value of €87,470.
- Raised €411,620 through fund raising and other donations.
- Raised €100,000 through a government grant
- Raised €7,000 through the International Monetary Funds Civic Programme..

Resources expended

Included in the resources expended are the following:

- Humanitarian aid was sent to Moldova during the period with a value of €107,583. Other support costs including costs of shipping and handling amounted to €37,709.
- During the period renovations and construction work was carried out on the orphanage at a cost of €226,569.
- Medical facilities and medication were provided to the children at a cost of €103,622.
- Expenditure of €106,526 on volunteers during the period regarding travel, subsistence and insurance.

Future plans

The future plans for the company include:

- Increase the number of children cared for in the orphanage from 256 to between 350 and 400 in 2003.
- Focus on education in both local schools and private tuition.
- Teach life skills to those who can be educated.
- Increase staff numbers to 250.
- Projects planned for 2003 include central stores, electrics, sports grounds, new electrical switchroom, new road, education, drugs, medication and nutrition. The value of these projects are expected to cost €181,000.
- In 2004 new small Homes village suitable for independent living and a halfway house for the girls estimated to cost €500,000.

Volunteer Hours

Outreach Moldova would like to thank all the volunteers who together contributed 32,500 hours during the year.

OUTREACH MOLDOVA LIMITED

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

Trustees

The trustees, who are also the directors for the purpose of company law, who served during the period are:

Name	Date from
Anthony Dempsey	28/09/2001
Desmond O'Connell	13/12/2000
Suzanne O'Connell	13/12/2000

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute €1.27 in the event of a winding up.

Review of financial position

Assets which have been donated are valued at open market value by the trustees. This is in accordance with the SORP Accounting for Charities.

Connected charities

There are no connected charities.

Books and records

The company's directors are aware of their responsibilities, under section 202 of the Companies Act 1990 to maintain proper books of account and are discharging this responsibility by applying the following:

- ensuring that sufficient company resources are available for this task and
- consulting with auditors on bookkeeping matters.

The books and records are maintained at the company's registered office at 37 Oakdene, Ballinlea Road; Killiney, Co. Dublin.

Risk management

The trustees examine the major risks that the charity faces each financial year when preparing and updating the strategic plan. The charity has developed systems to monitor and control these risks to mitigate any impact that they may have on the charity in the future.

Company structure and control

The following is the structure of the company:

- In Ireland, Suzanne O'Connell, founder Director, Desmond O'Connell Director/Secretary, and Anthony Dempsey Director.
- In Moldova, Stephen Walsh, Volunteer Administrator and Dr Rita Otari, Medical Director

All decisions regarding financial expenditure, including construction projects and staff employment etc. are decided by Suzanne and Desmond O'Connell. Building, refurbishment and local management issues are overseen by the local administrator. The Medical Director in consultation with Suzanne O'Connell oversees medical decisions re surgery or invasive procedures. Day-to-day routine medical care is the responsibility of the Medical Director and his team.

OutReach Moldova has sent over 150 volunteers from both North and South of the country to work with these children over the last year. Many of these were Trinity students.

OUTREACH MOLDOVA LIMITED

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

Statement of trustees responsibilities

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the charitable company's state of affairs at the end of the period its income and expenditure for that period.

In preparing those accounts, the trustees are required to:

- select suitable accounting policies and then 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 charitable company and to ensure that the accounts comply with the Companies Act 1963 – 2001. 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.

Auditors

In accordance with section 160(2) of the Companies Act 1963, a resolution proposing that Brenson Lawlor be appointed as auditors of the company will be put to the Annual General Meeting.

On behalf of the board of trustees

Anthony Dempsey
Trustee

Desmond O'Connell
Trustee

Dated: 28th May 2003

OUTREACH MOLDOVA LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OUTREACH MOLDOVA LIMITED

We have audited the financial statements of Outreach Moldova Limited on pages 6 to 12 for the year ended 31 December 2002. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out herein.

Respective responsibilities of the trustees and auditors

As described in the statement of trustees responsibilities on page 3 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and Irish Accounting Standards.

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

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 Acts. We also report to you whether in our opinion: proper books of account have been kept by the company; whether, at the balance sheet date, there exists a financial situation requiring the convening of an extraordinary general meeting of the company; and whether the information given in the trustees report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit, and whether the company's balance sheet and its income and expenditure account are in agreement with the books of account.

We report to the trustees if, in our opinion, any information specified by law regarding the trustees remuneration and transactions is not given and, where practicable, include such information in our report.

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 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 the information in the financial statements.

OUTREACH MOLDOVA LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF OUTREACH MOLDOVA LIMITED

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2002 and of its results for the year then ended and have been properly prepared in accordance with the Companies Acts 1963 to 2001.

We have obtained all the information and the explanations we consider necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

In our opinion, the information given in the trustees report is consistent with the financial statements.

JPA Brenson Lawlor

**Chartered Accountants
Registered Auditors**

Argyle Square
Morehampton Road
Donnybrook
Dublin 4

Dated: 28th May 2003

OUTREACH MOLDOVA LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating Income and Expenditure accounts and Statement of Total Recognised Gains and Losses) FOR THE YEAR ENDED 31 DECEMBER 2002

Notes	Unrestricted funds €	Restricted funds €	Endowment funds €	Total 2002 €	Total 2001 €
Incoming resources					
Donations and gifts	525,090	100,000	-	625,090	1,321,191
Total incoming resources	<u>525,090</u>	<u>100,000</u>	<u>-</u>	<u>625,090</u>	<u>1,321,191</u>
Resources expended					
Direct charitable expenditure:					
Support costs	162,736			162,736	735,688
Medical costs	103,616			103,616	47,338
Construction costs	126,569	100,000		226,569	382,886
Volunteer costs	92,298			92,298	72,609
Other expenditure:					
Fundraising and publicity	5,219			5,219	3,094
Management and administration	54,689	-	-	54,689	26,165
Total resources expended	<u>545,127</u>	<u>100,000</u>	<u>-</u>	<u>645,133</u>	<u>1,267,780</u>
Net incoming/(outgoing) resources	(20,037)	-		(20,037)	53,411
Net movement in funds	(20,037)			(20,037)	53,411
Fund balances at 31 December 2001	<u>53,411</u>	-	-	<u>53,411</u>	-
Fund balance at 31 December 2002	<u>33,374</u>	<u>-</u>	<u>-</u>	<u>33,374</u>	<u>53,411</u>

All 2001 figures relate to unrestricted funds

The accounts were approved by the board on 28th May 2003.

Director
Anthony Dempsey

Director
Desmond O'Connell

OUTREACH MOLDOVA LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2002

	Notes	2002 €	2001 €
Fixed assets			
Tangible assets	6	24,169	15,992
Current assets			
Cash at bank and in hand		<u>53,448</u>	<u>52,839</u>
		53,448	52,839
Creditors: amounts falling due within one year	7	(44,243)	(15,420)
Net current assets		<u>9205</u>	<u>37,419</u>
	5		
Net assets		<u>33,374</u>	<u>53,411</u>
Income funds			
Unrestricted funds		<u>33,374</u>	<u>53,411</u>

The accounts were approved by the board on 28th May 2003.

Director
Anthony Dempsey

Director
Desmond O'Connell

OUTREACH MOLDOVA LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2002

	€
Net cash inflow from operating activities Note 1	608
Capital expenditure and financial investment Payments to acquire tangible fixed assets	_____ -
Net cash outflow from Capital expenditure and financial investment	_____ -
Net cash inflow before management of liquid resources and financing	608
Net cash inflow from financing	<u>608</u>
Increase in cash Note 2	<u>608</u>

OUTREACH MOLDOVA LIMITED

NOTES TO CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2002

1. Net cash flow from operating activities

Reconciliation to changes in resources	€
Changes in resources before revaluations	(46,037)
Depreciation of tangible fixed assets	17,823
Increase/(decrease) in creditors	<u>28,823</u>
	<u>608</u>

2. Reconciliation of net cash flow to movement in net debt

Increase/(decrease) in cash	608
Net debt at 31 December 2001	-
Net funds at 31 December 2002	<u>608</u>

OUTREACH MOLDOVA LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2002

1 Accounting policies

1.1 Basis of preparation

The accounts are prepared under the historical cost convention modified to include the revaluation of certain assets.

The accounts have been prepared in accordance with the Statement of Recommended Practice- Accounting by Charities.

1.2 Incoming resources

Donations, legacies and other forms of voluntary income are recognised as incoming resources when receivable, except insofar as they are incapable of financial measurement.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Donated fixed assets are valued at their fair value and depreciated over their useful economic lives. This policy is in accordance with SORP Accounting for Charities. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Office equipment	20% Straight line
Equipment	20% Straight line
Motor vehicles	50% Straight line

1.5 Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into Euro at the rates of exchange ruling at the balance sheet date. All differences are included in net outgoing resources.

1.4 Accumulated funds

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

1.5 Turnover

The total turnover of the company for the period has been derived from its principal activity.

OUTREACH MOLDOVA LIMITED

NOTES TO THE ACCOUNTS (CONT.) FOR THE YEAR ENDED 31 DECEMBER 2002

2	Total resources expended				
		Staff costs €	Depreciation €	Other costs €	Total 2002 €
	Direct charitable expenditure:				
	Grants payable				
	Medical costs	58,473	-	45,143	103,616
	Construction costs	55,041	-	171,528	226,569
	Volunteer costs	-	-	92,298	92,298
	Support costs	16,324	-	146,412	162,736
	Other expenditure:				
	Fundraising and publicity	-	-	5,219	5,219
	Management and administration	-	<u>17,823</u>	<u>36,866</u>	<u>54,689</u>
	Totals	<u>129,838</u>	<u>17,823</u>	<u>497,466</u>	<u>645,127</u>

Management and administration costs includes costs relating to the auditors of €3,388 for audit fees and €6,111 for other services.

3 Trustees

None of the trustees (or any person connected with them) received any remuneration during the period.

4 Employees

Number of employees

The average monthly number of employees during the period was:

	2002	2001
Part time administrator	<u>1</u>	<u>1</u>
Other employees	<u>155</u>	<u>10</u>
Employment costs		
Total wages	<u>129,838</u>	<u>41,608</u>

OUTREACH MOLDOVA LIMITED

NOTES TO THE ACCOUNTS (CONT.) FOR THE YEAR ENDED 31 DECEMBER 2002

5 Changes in resources available for charity use

	General Unrestricted Funds €	Unrestricted Gifts & Donations Revalued fund €	Restricted Funds €	Total 2002 €	Total 2001 €
Net movement in funds available for future activities	<u>(20,037)</u>	<u> </u>	<u> </u>	<u>(20,037)</u>	<u>53,411</u>

The Restricted Funds relate to a grant of €100,000 from Ireland Aid (Department of Foreign Affairs) towards the construction of a new kitchen and restaurant in the orphanage.

6 Tangible fixed assets

	Office Equipment €	Equipment €	Motor Vehicles €	Total €
Net book value As at 1 January 2002	4,218	10,274	1,500	15,992
Additions	1,000	-	25,000	26,000
Depreciation Charge for the period	<u>(1,255)</u>	<u>(2,568)</u>	<u>(14,000)</u>	<u>(17,823)</u>
Net book value As at 31 December 2002	<u>3,963</u>	<u>7,706</u>	<u>12,500</u>	<u>24,169</u>

7 Creditors: amounts falling due within one year

	2002 €	2001 €
Bank overdraft	27,243	-
Other creditors	7,501	6,707
Accruals and deferred income	<u>9,499</u>	<u>8,713</u>
	<u>44,243</u>	<u>15,420</u>

8 Taxation

The company is exempt from corporation tax as it is a charity.

9 Approval of the financial statements

The directors approved the financial statements on the

OUTREACH MOLDOVA LIMITED
MANAGEMENT INFORMATION
FOR THE YEAR ENDED
31 DECEMBER 2002

OUTREACH MOLDOVA LIMITED

DETAILED INCOME AND EXPENDITURE SCHEDULES FOR THE YEAR ENDED 31 DECEMBER 2002

INCOME	€ 2002	€ 2001
Donations and gifts		
Humanitarian aid	87,470	651,018
Tangible fixed assets	26,000	9,321
Construction materials	-	317,435
Donations and sponsorship	411,620	343,418
Government grants	<u>100,000</u>	-
Total Income	<u>625,090</u>	<u>1,321,192</u>
EXPENDITURE		
Support costs		
Humanitarian aid	107,584	651,018
Freight, Warehousing and Forklift	4,449	50,018
Goods for Moldova	17,726	10,832
Miscellaneous	13,967	17,107
Salaries	16,324	5,993
Medical	<u>2,686</u>	<u>810</u>
Total support costs	<u>162,736</u>	<u>735,778</u>
Construction costs		
Materials donated	-	317,434
Projects	128,401	38,785
Materials	38,123	18,269
Miscellaneous	373	1,949
Salaries	55,041	5,549
Security	<u>4,631</u>	<u>899</u>
Total construction costs	<u>226,569</u>	<u>382,885</u>
Medical Costs		
Salaries	58,473	28,752
Consultants	2,503	1,476
Analysis	2,651	2,899
Drugs	35,914	3,958
Miscellaneous	-	6,170
Motor and travel	1,901	945
Supplementary nutrition	<u>2,174</u>	<u>3,139</u>
Total medical costs	<u>103,616</u>	<u>47,339</u>
Volunteer costs		
Motor and travel	73,012	62,692
Food and provisions	16,211	6,403
Insurance	<u>3,075</u>	<u>3,513</u>
Total volunteer costs	<u>92,298</u>	<u>72,608</u>

OUTREACH MOLDOVA LIMITED

DETAILED INCOME AND EXPENDITURE SCHEDULES (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

	€ 2002	€ 2001
Fundraising and Publicity		
Ball catering costs	<u>5,219</u>	<u>3,094</u>
Management and Administration		
Delivery charges	1,797	1,040
Telephone	11,759	3,290
Bank charges	1,088	240
Print, Postage and stationery	5,956	2,052
Office expenses	2,096	223
Sundry	3,528	3,620
Legal	908	879
Advertising	1,143	-
Motor & Travel	-	899
Secretarial Wages	-	1,314
Audit fee	3,388	3,026
Bookkeeping	5,203	4,840
Depreciation Office Equipment	1,255	1,055
Depreciation Equipment	2,568	2,567
Depreciation Motor Vehicles	<u>14,000</u>	<u>1,501</u>
Total management and administration	<u>54,689</u>	<u>26,546</u>
Total expenditure	<u>645,127</u>	<u>1,268,250</u>