

Charity Registration No. CHY14229

Company Registration No. 336502

**OUTREACH MOLDOVA LIMITED**  
**TRUSTEES' REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2004**

# 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

### Secretary

Desmond O'Connell

### 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

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# OUTREACH MOLDOVA LIMITED

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2004

The trustees present their report and accounts for the year ended 31 December 2004.

### **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. Projects carried out during the year included electrical rewiring of all three buildings, the provision of new bathrooms, the construction of a new Humanitarian Aid warehouse, installation of a 400KVA backup generator. During the year they increased the number of children cared for from 300 to 400 arising from the inclusion of a Baby Institution within the umbrella of the orphanage thus allowing early intervention in relation to medical care. The charity focused on educational needs in both local schools and by private tuition and the development of transitional housing to teach life skills to those who have the capability to move towards independent living. 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:

- Raised €1,018,211 through fund raising and other donations.

### Resources expended

Included in the resources expended are the following:

- During the period renovations and construction work was carried out on the orphanage at a cost of €230,875.
- Medical facilities and medication were provided to the children at a cost of €198,396.
- Expenditure of €132,928 on volunteers during the period regarding travel, subsistence and insurance.

### Future plans

- In 2005/2006 the company will continue to explore the feasibility of building a new small homes village suitable for independent living and a halfway house for the girls estimated to cost €1,250,000.

### Volunteer Hours

Outreach Moldova would like to thank all the volunteers who together contributed 39,000 hours during the year.

# OUTREACH MOLDOVA LIMITED

## TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

### 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, Ballinclea 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, Desmond O'Connell 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 her 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. Some of these were Trinity students and staff.

# OUTREACH MOLDOVA LIMITED

## TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

### 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 and 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 – 2003. 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, JPA Brenson Lawlor continue in office as auditors of the company.

On behalf of the board of trustees

**Anthony Dempsey**  
Trustee

**Desmond O'Connell**  
Trustee

Dated: 8/11/2005

# **OUTREACH MOLDOVA LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OUTREACH MOLDOVA LIMITED**

This report is made solely to the company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. 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.

We have audited the financial statements of Outreach Moldova Limited on pages 6 to 12 for the year ended 31 December 2004. 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 trustee's 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 2004 and of its results for the year then ended and have been properly prepared in accordance with the Companies Acts 1963 to 2003.

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: 8/11/2005**

# 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 2004

Notes	Unrestricted funds €	Restricted funds €	Endowment funds €	Total 2004 €	Total 2003 €
<b>Incoming resources</b>					
Donations and gifts	1,018,211	-	-	1,018,211	527,549
<b>Total incoming resources</b>	<b><u>1,018,211</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>1,018,211</u></b>	<b><u>527,549</u></b>
<b>Resources expended</b>					
Direct charitable expenditure:					
Support costs	67,430			67,430	32,733
Medical costs	198,396			198,396	148,860
Construction costs	230,875			230,875	135,621
Volunteer costs	132,928			132,928	102,328
Education costs	12,993			12,993	10,683
Other expenditure:					
Fundraising and publicity	46,512			46,512	36,999
Management and administration	<u>72,919</u>	<u>-</u>	<u>-</u>	<u>72,919</u>	<u>50,326</u>
	<u>762,053</u>	<u>-</u>	<u>-</u>	<u>762,053</u>	<u>517,550</u>
Bank interest received	-	-	-	-	(1,414)
<b>Total resources expended</b>	<b><u>762,053</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>762,053</u></b>	<b><u>516,316</u></b>
<b>Net incoming/(outgoing) resources</b>	<b><u>256,158</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>256,158</u></b>	<b><u>11,413</u></b>
<b>Net movement in funds</b>	<b>256,158</b>			<b>256,158</b>	<b>11,413</b>
Fund balances at 31 December 2003	<u>44,787</u>	<u>-</u>	<u>-</u>	<u>44,787</u>	<u>33,374</u>
<b>Fund balance at 31 December 2004</b>	<b><u>300,945</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>300,945</u></b>	<b><u>44,787</u></b>

The financial statements were approved by the board on 8/11/2005

Director  
Anthony Dempsey

Director  
Desmond O'Connell

# OUTREACH MOLDOVA LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2004

	Notes	2004 €	2003 €
<b>Fixed assets</b>			
Tangible assets	6	<u>169,236</u>	<u>23,834</u>
<b>Current assets</b>			
Cash at bank and in hand		143,983	30,092
Prepayments		<u>-</u>	<u>2,212</u>
		143,983	32,304
<b>Creditors: amounts falling due within one year</b>	7	<u>(12,274)</u>	<u>(11,351)</u>
<b>Net current assets</b>		<u>131,709</u>	<u>20,953</u>
<b>Net assets</b>		<u>300,945</u>	<u>44,787</u>
<b>Income funds</b>			
Unrestricted funds		<u>300,945</u>	<u>44,787</u>

The financial statements were approved by the board on 8/11/2005

Director  
Anthony Dempsey

Director  
Desmond O'Connell

## OUTREACH MOLDOVA LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2004

	2004	2003
	€	€
Net cash inflow from operating activities Note 1	187,575	(6,246)
Capital expenditure and financial investment Payments to acquire tangible fixed assets	<u>73,684</u>	<u>17,110</u>
Net cash outflow from Capital expenditure and financial investment	—	—
Net cash (outflow)/inflow before management of liquid resources and financing	113,891	(23,356)
Net cash (outflow)/inflow from financing	<u>113,891</u>	<u>(23,356)</u>
Increase in cash Note 2	<u>113,891</u>	<u>(23,356)</u>

# OUTREACH MOLDOVA LIMITED

## NOTES TO CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2004

### 1. Net cash flow from operating activities

	2004	2003
Reconciliation to changes in resources	€	€
Changes in resources before revaluations	256,158	11,413
Non Cash sales-donated assets	(114,250)	
Depreciation of tangible fixed assets	42,532	17,445
(Increase)/ decrease in debtors	2,212	(2,212)
Increase/(decrease) in creditors	923	(32,892)
	<u>187,575</u>	<u>(6,246)</u>

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

	2004	2003
	€	€
Net funds at 31 December 2004	143,983	30,092
Net funds at 31 December 2003	30,092	53,448
Increase/(decrease) in cash	<u>113,891</u>	<u>(23,356)</u>

# OUTREACH MOLDOVA LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2004

### 1 Accounting policies

#### 1.1 Basis of preparation

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

The financial statements 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
Land & buildings	Not depreciated
Equipment	20% Straight line
Motor vehicles	20% Straight line

#### 1.4 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.

#### 1.5 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 financial statements.

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 financial statements.

#### 1.6 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 2003

<b>2</b>	<b>Total resources expended</b>				
		<b>Staff costs €</b>	<b>Depreciation €</b>	<b>Other costs €</b>	<b>Total 2004 €</b>
	Direct charitable expenditure:				
	Grants payable				
	Medical costs	106,608	-	91,788	198,396
	Construction costs	6,584	-	224,291	230,875
	Volunteer costs	-	-	132,928	132,928
	Support costs	31,062	-	36,368	67,430
	Education costs	12,513	-	480	12,993
	Other expenditure:				
	Fundraising and publicity	-	-	46,512	46,512
	Management and administration	-	<u>42,532</u>	<u>30,387</u>	<u>72,919</u>
	<b>Totals</b>	<u>156,767</u>	<u>42,532</u>	<u>562,754</u>	<u>762,053</u>

Management and administration costs includes costs relating to the auditors of €3,388 for audit fees and €5,203 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:

	<b>2004</b>	<b>2003</b>
Part time administrator	<u>1</u>	<u>1</u>
Other employees	<u>300</u>	<u>155</u>
<b>Employment costs</b>		
Total wages	<u>156,767</u>	<u>141,133</u>

# OUTREACH MOLDOVA LIMITED

## NOTES TO THE ACCOUNTS (CONT.) FOR THE YEAR ENDED 31 DECEMBER 2004

### 5 Changes in resources available for charity use

	General Unrestricted Funds €	Unrestricted Gifts & Donations Revalued fund €	Restricted Funds €	Total 2004 €	Total 2003 €
Net movement in funds available for future activities	<u>256,158</u>	<u>-</u>	<u>-</u>	<u>256,158</u>	<u>11,431</u>

### 6 Tangible fixed assets

	Land & Buildings €	Office Equipment €	Equipment €	Motor Vehicles €	Total €
Net book value As at 1 January 2004	11,500	2,708	9,626	-	23,834
Additions	<u>-</u>	<u>-</u>	<u>114,250</u>	<u>73,684</u>	<u>187,934</u>
Depreciation Charge for the period	<u>-</u>	<u>(1,255)</u>	<u>(26,540)</u>	<u>(14,737)</u>	<u>(42,532)</u>
Net book value As at 31 December 2004	<u>11,500</u>	<u>1,453</u>	<u>97,336</u>	<u>58,947</u>	<u>169,236</u>

### 7 Creditors: amounts falling due within one year

	2004 €	2003 €
Bank overdraft	-	-
Other creditors	2,715	2,094
Accruals and deferred income	<u>9,559</u>	<u>9,257</u>
	<u>12,274</u>	<u>11,351</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 8/11/2005

**OUTREACH MOLDOVA LIMITED**  
**MANAGEMENT INFORMATION**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2004**

# OUTREACH MOLDOVA LIMITED

## DETAILED INCOME AND EXPENDITURE SCHEDULES FOR THE YEAR ENDED 31 DECEMBER 2004

INCOME	€ 2004	€ 2003
<b>Donations and gifts</b>		
Humanitarian aid	-	-
Tangible fixed assets	114,250	1,000
Donations and sponsorship	903,961	526,549
Government grants	-	-
Total Income	<u>1,018,211</u>	<u>527,549</u>
<b>EXPENDITURE</b>		
<b>Support costs</b>		
Humanitarian aid	793	711
Freight, Warehousing and Forklift	5,307	2,883
Goods for Moldova	-	-
Miscellaneous	21,514	4,266
Salaries	31,062	23,520
Medical	<u>8,754</u>	<u>1,353</u>
Total support costs	<u>67,430</u>	<u>32,733</u>
<b>Construction costs</b>		
Materials donated	-	-
Projects	-	60,906
Materials	29,499	33,414
Miscellaneous	-	214
Salaries	6,584	34,335
Non full time	184,174	-
Security	<u>10,618</u>	<u>6,752</u>
Total construction costs	<u>230,875</u>	<u>135,621</u>
<b>Medical Costs</b>		
Salaries	106,608	75,035
Consultants	1,150	876
Analysis	1,677	11,846
Drugs and essential non medical items	56,382	51,060
Miscellaneous	-	-
Supplementary nutrition	<u>32,579</u>	<u>10,043</u>
Total medical costs	<u>198,396</u>	<u>148,860</u>
<b>Volunteer costs</b>		
Motor and travel	111,379	80,811
Food and provisions	18,246	17,865
Insurance	<u>3,303</u>	<u>3,652</u>
Total volunteer costs	<u>132,928</u>	<u>102,328</u>

# OUTREACH MOLDOVA LIMITED

## DETAILED INCOME AND EXPENDITURE SCHEDULES (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

	€ 2004	€ 2003
<b>Education costs</b>		
Salaries	12,513	8,243
Materials	<u>480</u>	<u>2,440</u>
	<u>12,993</u>	<u>10,683</u>
<b>Fundraising and Publicity</b>		
Ball catering costs	10,831	8,629
Advertising and promotion	<u>35,681</u>	<u>28,370</u>
	<u>46,512</u>	<u>36,999</u>
<b>Management and Administration</b>		
Telephone	11,105	12,879
Bank charges	2,438	1,203
Print, Postage and stationery	6,051	584
Sundry	(1,649)	1,465
Legal & Professional Fees	967	908
Motor & Travel	1,878	-
Donations	500	-
Audit fee	3,388	3,267
Bookkeeping	5,203	5,082
Computer expenses	506	2,048
(Profit)/Loss on foreign exchange	-	187
Depreciation Office Equipment	1,255	1,255
Depreciation Equipment	26,540	3,690
Depreciation Motor Vehicles	<u>14,737</u>	<u>12,500</u>
Total management and administration	<u>72,919</u>	<u>50,326</u>
Bank interest received	=	<u>1,414</u>
<b>Total expenditure</b>	<u>762,053</u>	<u>517,550</u>