

Charity Registration No. CHY14229

Company Registration No. 336502

OUTREACH MOLDOVA LIMITED
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 2005

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 Ballinlea Road Killiney Co. Dublin Ireland |
| Registered office | 37 Oakdene Ballinlea 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 | Maxwells Solicitors 19 Herbert Place Dublin 2 Ireland |

OUTREACH MOLDOVA LIMITED

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OUTREACH MOLDOVA LIMITED

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005

The trustees present their report and accounts for the year ended 31 December 2005.

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 year volunteers were recruited in Ireland and travelled to Moldova to provide stimulation and love to the children. No major construction projects had to be undertaken. The number of children in the main orphanage in Hincesti increased from 300 to 330 with a further 90 children in the baby orphanage in Chisinau. The charity focused on the girl's educational needs in the charity's school on the grounds of the orphanage. There is a planned development of a village to be called The Village of Hope, which will consist of 10 small group homes with a capacity for 60 girls including a craft training school. The aim is to move these girls towards independent living and back into society. The Minister of Health fully supports the project and has donated 2 hectares for the village. Early indicative costs are in excess of €1m and the charity is confident it will succeed in raising the necessary funds. It is hoped that the project might commence in spring 2007.

Income generation

The following income was generated during the year:

- Raised €778,162 through fund raising and other donations.

Resources expended

Included in the resources expended are the following:

- During the year renovations and construction work was carried out on the orphanage at a cost of €160,751.
- Medical facilities and medication were provided to the children at a cost of €301,400.
- Expenditure of €133,850 on volunteers during the year regarding travel, subsistence and insurance.

Future plans

- In 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 2005

Trustees

The trustees, who are also the directors for the purpose of company law, who served during the year 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 the 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, Dr Suzanne 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 regarding 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 2005

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 year and its income and expenditure for that year.

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 – 2005. 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: 5 October 2006

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 2005. 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 the accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with the Generally Accepted Accounting Practice in Ireland applicable to Smaller Entities, and are properly prepared in accordance with the Companies Acts, 1963 to 2005. We also report to you whether in our opinion proper books of account have been kept by 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 the International Standards on Auditing (UK 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 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, in accordance with Generally Accepted Accounting Practice in Ireland applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2005 and of its results for the year then ended and have been properly prepared in accordance with the Companies Acts 1963 to 2005.

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: 5 October 2006

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 2005

| Notes | Unrestricted funds € | Restricted funds € | Endowment funds € | Total 2005 € | Total 2004 € |
|--|-------------------------|-----------------------|----------------------|--------------------|--------------------|
| Incoming resources | | | | | |
| Donations and gifts | 778,162 | - | - | 778,162 | 1,018,211 |
| Total incoming resources | <u>778,162</u> | <u>-</u> | <u>-</u> | <u>778,162</u> | <u>1,018,211</u> |
| Resources expended | | | | | |
| Direct charitable expenditure: | | | | | |
| Support costs | 55,574 | | | 55,574 | 67,430 |
| Medical costs | 301,401 | | | 301,401 | 198,396 |
| Construction costs | 160,751 | | | 160,751 | 230,875 |
| Volunteer costs | 133,850 | | | 133,850 | 132,928 |
| Education costs | 17,029 | | | 17,029 | 12,993 |
| Other expenditure: | | | | | |
| Fundraising and publicity | 32,880 | | | 32,880 | 46,512 |
| Management and administration | <u>83,531</u> | <u>-</u> | <u>-</u> | <u>83,531</u> | <u>72,919</u> |
| | <u>785,017</u> | <u>-</u> | <u>-</u> | <u>785,017</u> | <u>762,053</u> |
| Bank interest received | <u>57</u> | - | - | <u>57</u> | - |
| Total resources expended | <u>784,960</u> | <u>-</u> | <u>-</u> | <u>784,960</u> | <u>762,053</u> |
| Net incoming/(outgoing) resources | <u>(6,798)</u> | <u>-</u> | <u>-</u> | <u>(6,798)</u> | <u>256,158</u> |
| Net movement in funds | <u>(6,798)</u> | | | <u>(6,798)</u> | <u>256,158</u> |
| Fund balances at 31 December 2004 | <u>300,945</u> | <u>-</u> | <u>-</u> | <u>300,945</u> | <u>44,787</u> |
| Fund balance at 31 December 2005 | <u>294,147</u> | <u>-</u> | <u>-</u> | <u>294,147</u> | <u>300,945</u> |

The financial statements were approved by the board on 5 October 2006.

Director
Anthony Dempsey

Director
Desmond O'Connell

OUTREACH MOLDOVA LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2005

| | Notes | 2005 € | 2004 € |
|---|-------|-----------------|-----------------|
| Fixed assets | | | |
| Tangible assets | 6 | <u>128,451</u> | <u>169,236</u> |
| Current assets | | | |
| Cash at bank and in hand | | 199,838 | 143,983 |
| Prepayments | | <u>-</u> | <u>-</u> |
| | | 199,838 | 143,983 |
| Creditors: amounts falling due within one year | 7 | <u>(34,142)</u> | <u>(12,274)</u> |
| Net current assets | | <u>165,696</u> | <u>131,709</u> |
| Net assets | | <u>294,147</u> | <u>300,945</u> |
| Income funds | | | |
| Unrestricted funds | | <u>294,147</u> | <u>300,945</u> |

The financial statements were approved by the board on 5 October 2006.

Director
Anthony Dempsey

Director
Desmond O'Connell

OUTREACH MOLDOVA LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2005

| | 2005 | 2004 |
|---|---------------|----------------|
| | € | € |
| Net cash inflow from operating activities Note 1 | 58,038 | 187,575 |
| Capital expenditure and financial investment Payments to acquire tangible fixed assets | 2,183 | 73,684 |
| Net cash outflow from Capital expenditure and financial investment | — | — |
| Net cash (outflow)/inflow before management of liquid resources and financing | 55,855 | 113,891 |
| Net cash (outflow)/inflow from financing | <u>55,855</u> | <u>113,891</u> |
| Increase in cash Note 2 | <u>55,855</u> | <u>113,891</u> |

OUTREACH MOLDOVA LIMITED

NOTES TO CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2005

| 1. Net cash flow from operating activities | 2005 | 2004 |
|--|---------------|----------------|
| Reconciliation to changes in resources | € | € |
| Changes in resources before revaluations | (6,798) | 256,158 |
| Non Cash sales-donated assets | - | (114,250) |
| Depreciation of tangible fixed assets | 42,968 | 42,532 |
| (Increase)/ decrease in debtors | - | 2,212 |
| Increase/(decrease) in creditors | <u>21,868</u> | <u>923</u> |
| | <u>58,038</u> | <u>187,575</u> |
| 2. Reconciliation of net cash flow to movement in net debt | | |
| | 2005 | 2004 |
| | € | € |
| Net funds at 31 December 2005 | 199,838 | 143,983 |
| Net funds at 31 December 2004 | 143,983 | 30,092 |
| Increase/(decrease) in cash | <u>55,855</u> | <u>113,891</u> |

OUTREACH MOLDOVA LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2005

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 year has been derived from its principal activity.

OUTREACH MOLDOVA LIMITED

NOTES TO THE ACCOUNTS (CONT.) FOR THE YEAR ENDED 31 DECEMBER 2005

| | | | | | |
|----------|---------------------------------|---------------------|-------------------|---------------------|--------------------|
| 2 | Total resources expended | | | | |
| | | Staff costs € | Depreciation € | Other costs € | Total 2005 € |
| | Direct charitable expenditure: | | | | |
| | Medical costs | 124,928 | - | 176,473 | 301,401 |
| | Construction costs | 16,584 | - | 144,167 | 160,751 |
| | Volunteer costs | - | - | 133,850 | 133,850 |
| | Support costs | 37,629 | - | 17,945 | 55,574 |
| | Education costs | 14,857 | - | 2,172 | 17,029 |
| | Other expenditure: | | | | |
| | Fundraising and publicity | - | - | 32,880 | 32,880 |
| | Management and administration | - | 42,968 | 40,563 | 83,531 |
| | Totals | <u>193,998</u> | <u>42,968</u> | <u>548,050</u> | <u>785,017</u> |

Management and administration costs includes costs relating to the auditors of €3,509 for audit fees and €5,445 for other services.

3 Trustees

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

4 Employees

Number of employees

The average monthly number of employees during the period was:

| | | |
|-------------------------|-------------|-------------|
| | 2005 | 2004 |
| Part time administrator | <u>1</u> | <u>1</u> |
| Other employees | <u>300</u> | <u>300</u> |

Employment costs

| | | |
|-------------|----------------|----------------|
| Total wages | <u>193,998</u> | <u>156,767</u> |
|-------------|----------------|----------------|

OUTREACH MOLDOVA LIMITED

NOTES TO THE ACCOUNTS (CONT.) FOR THE YEAR ENDED 31 DECEMBER 2005

5 Changes in resources available for charity use

| | General Unrestricted Funds € | Unrestricted Gifts & Donations Revalued fund € | Restricted Funds € | Total 2005 € | Total 2004 € |
|--|---------------------------------------|--|--------------------------|--------------------|--------------------|
| Net movement in funds available for future activities | <u>(6,798)</u> | <u>-</u> | <u>-</u> | <u>(6,798)</u> | <u>256,158</u> |

6 Tangible fixed assets

| | Land & Buildings € | Office Equipment € | Equipment € | Motor Vehicles € | Total € |
|--|--------------------------|--------------------------|-----------------|------------------------|-----------------|
| Net book value As at 1 January 2005 | 11,500 | 1,453 | 97,336 | 58,947 | 169,236 |
| Additions | - | - | <u>2,183</u> | - | <u>2,183</u> |
| Depreciation Charge for the period | - | <u>(1,255)</u> | <u>(26,976)</u> | <u>(14,737)</u> | <u>(42,968)</u> |
| Net book value As at 31 December 2005 | <u>11,500</u> | <u>198</u> | <u>72,543</u> | <u>44,210</u> | <u>128,451</u> |

7 Creditors: amounts falling due within one year

| | 2005 € | 2004 € |
|------------------------------|---------------|---------------|
| Other creditors | 5,694 | 2,715 |
| Accruals and deferred income | <u>28,448</u> | <u>9,559</u> |
| | <u>34,142</u> | <u>12,274</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 5 October 2006.

OUTREACH MOLDOVA LIMITED
MANAGEMENT INFORMATION
FOR THE YEAR ENDED
31 DECEMBER 2005

OUTREACH MOLDOVA LIMITED

DETAILED INCOME AND EXPENDITURE SCHEDULES FOR THE YEAR ENDED 31 DECEMBER 2005

| | € 2005 | € 2004 |
|---------------------------------------|----------------|------------------|
| INCOME | | |
| Donations and gifts | | |
| Humanitarian aid | - | 114,250 |
| Tangible fixed assets | - | |
| Donations and sponsorship | 778,162 | 903,961 |
| Government grants | - | - |
| Total Income | <u>778,162</u> | <u>1,018,211</u> |
| EXPENDITURE | | |
| Support costs | | |
| Humanitarian aid | - | 793 |
| Freight, Warehousing and Forklift | 486 | 5,307 |
| Goods for Moldova | - | - |
| Miscellaneous | 17,126 | 21,514 |
| Salaries | 37,629 | 31,062 |
| Medical | <u>333</u> | <u>8,754</u> |
| Total support costs | <u>55,574</u> | <u>67,430</u> |
| Construction costs | | |
| Materials donated | - | - |
| Projects | - | - |
| Materials | 14,611 | 29,499 |
| Miscellaneous | - | - |
| Salaries | 16,584 | 6,584 |
| Non full time | 118,287 | 184,174 |
| Security | <u>11,269</u> | <u>10,618</u> |
| Total construction costs | <u>160,751</u> | <u>230,875</u> |
| Medical Costs | | |
| Salaries | 124,928 | 106,608 |
| Consultants | 3,287 | 1,150 |
| Analysis | 1,382 | 1,677 |
| Drugs and essential non medical items | 94,401 | 56,382 |
| Miscellaneous | - | - |
| Supplementary nutrition | <u>77,403</u> | <u>32,579</u> |
| Total medical costs | <u>301,401</u> | <u>198,396</u> |
| Volunteer costs | | |
| Motor and travel | 110,111 | 111,379 |
| Food and provisions | 20,216 | 18,246 |
| Insurance | <u>3,523</u> | <u>3,303</u> |
| Total volunteer costs | <u>133,850</u> | <u>132,928</u> |

OUTREACH MOLDOVA LIMITED

DETAILED INCOME AND EXPENDITURE SCHEDULES (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

| | € 2005 | € 2004 |
|--|----------------|----------------|
| Education costs | | |
| Salaries | 14,857 | 12,513 |
| Materials | <u>2,172</u> | <u>480</u> |
| | <u>17,029</u> | <u>12,993</u> |
| Fundraising and Publicity | | |
| Ball catering costs | 5,318 | 10,831 |
| Advertising and promotion | <u>27,562</u> | <u>35,681</u> |
| | <u>32,880</u> | <u>46,512</u> |
| Management and Administration | | |
| Telephone | 22,858 | 11,105 |
| Bank charges | 11,815 | 2,438 |
| Print, Postage and stationery | 4,654 | 6,051 |
| Sundry | 9,179 | (1,649) |
| Legal & Professional Fees | 1,083 | 967 |
| Motor & Travel | 2,336 | 1,878 |
| Donations | 500 | 500 |
| Audit fee | 3,509 | 3,388 |
| Bookkeeping | 5,445 | 5,203 |
| Computer expenses | 911 | 506 |
| Translator expenses | 2,885 | - |
| (Profit)/Loss on foreign exchange | (24,612) | - |
| Depreciation Office Equipment | 1,255 | 1,255 |
| Depreciation Equipment | 26,976 | 26,540 |
| Depreciation Motor Vehicles | <u>14,737</u> | <u>14,737</u> |
| Total management and administration | <u>83,531</u> | <u>72,919</u> |
| | | |
| Bank interest received | <u>57</u> | - |
| Total expenditure | <u>784,960</u> | <u>762,053</u> |
| | | |
| Net (outgoing)/Incoming Resources | <u>(6,798)</u> | <u>256,158</u> |