

**SOFRONIE FOUNDATION**  
**(Registered Charity No. 1118621 and Company No. 06074877)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD 30 JANUARY 2007 TO 31 MARCH 2008**

**SOFRONIE FOUNDATION**  
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**FOR THE PERIOD 30 JANUARY 2007 TO 31 MARCH 2008**  
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**SOFRONIE FOUNDATION**  
**ANNUAL REPORT OF THE TRUSTEES**  
**FOR THE PERIOD 30 JANUARY 2007 TO 31 MARCH 2008**

The trustees present their report and the independently audited financial statements for the period to 31 March 2008. These have been prepared in accordance with the accounting policies set out on page 11 and comply with the charity's trust deed and applicable law.

**1. REFERENCE AND ADMINISTRATIVE DETAILS**

The Sofronie Foundation, registered charity number 1118621 and company number 06074877, is based and administered in the United Kingdom. The registered address is Eighth Floor, 6 New Street Square, New Fetter Lane, London, EC4A 3AQ.

**Directors and trustees:**

The names of the directors, who are also the trustees, who served throughout the period and continue to serve at the date of this report's approval are:

- Hendricus (Harold) Coenradus Albertus Goddijn (appointed 30 January 2007)
- Corinne Daniele Goddijn-Vigreux (appointed 30 January 2007)
- Jacqueline Higgin (appointed 30 January 2007)
- Nicholas Mark Kaufmann (appointed 30 January 2007)

**Bankers:**

Goldman Sachs, Peterborough Court, 133 Fleet Street, London, EC4A 2BB

Barclays, 1 Churchill Place, London, E14 5HP

**Auditors:**

Rawlinson & Hunter, Eighth Floor, 6 New Street Square, New Fetter Lane, London, EC4A 3AQ

**Solicitors:**

Withers LLP, 16 Old Bailey, London, EC4M 7EG

**Accountants:**

Rawlinson & Hunter, Eighth Floor, 6 New Street Square, New Fetter Lane, London, EC4A 3AQ

**Company Secretary:**

Mrs Vivien Clare Gunn, 25 Southampton Buildings, London, WC2A 1AL

**SOFRONIE FOUNDATION**  
**ANNUAL REPORT OF THE TRUSTEES (continued)**  
**FOR THE PERIOD 30 JANUARY 2007 TO 31 MARCH 2008**

**2. STRUCTURE, GOVERNANCE AND MANAGEMENT**

Sofronie Foundation is a company limited by guarantee governed by its Memorandum and Articles of Association dated 30 January 2007 and is registered as a charity with the Charity Commission.

All trustees are resident in the United Kingdom and meet at least four times each year to discuss and develop the Foundation's goals and strategy and to review grant proposals and general grant requests.

The number of trustees shall be a minimum of three at any one time and new trustees shall be appointed by ordinary resolution by the existing trustees. The maximum number of trustees may be fixed but if not fixed, will be seven. The range of skills represented on the Trustee Board will be kept under review as the Foundation develops over time.

As part of their training, trustees are given an information pack which includes the Foundation's Memorandum and Articles of Association and Charity Commission guidance on Trustees' responsibilities. The Foundation also takes advantage of the trustee induction sessions offered by the Association of Charitable Foundations. All trustees are kept informed at meetings of their duties and obligations under the law in addition to their proper conduct.

The trustees are aware of their obligations to ensure new trustees are properly versed in their role. A similar induction process will be undertaken for new trustees as the Foundation develops and will include additional documentation such as recent annual reports, grant making policy and relevant minutes. The training of trustees will be kept under review

Vivien Gunn, Head of the Foundation and Company Secretary, is charged by the Trustees to administer and manage the Foundation which includes identifying and assessing charities and sourcing and reviewing grant applications which the trustees anticipate may be in line for support from the Foundation. The Head of the Foundation is entrusted to develop and manage external relationships and to report and communicate with Trustees on all aspects of the Foundation's work.

The Foundation is a member of the Association of Charitable Foundations (ACF) which provides help and support for grant-making trusts and foundations. The Head of the Foundation attends courses and seminars offered by the ACF as well as other conferences and special events as appropriate.

**Trustees' Responsibilities**

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of the affairs of the charity and of the incoming resources and application of resources, including the net income or expenditure, of the charity for that period. 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 applicable UK accounting standards and statement of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue.

**SOFRONIE FOUNDATION****ANNUAL REPORT OF THE TRUSTEES (continued)****FOR THE PERIOD 30 JANUARY 2007 TO 31 MARCH 2008****2. STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

The trustees are responsible for keeping proper accounting records that 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.

**Disclosure of information to Auditors**

In the case of each person who was a director at the time this report was approved:

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

**Reserves Policy**

The trustees are aware that this is the charity's first period and during this time grants received by the charity have matched those paid out by the trustees. The trustees' aim going forward is to build a solid financial base to support the foundation.

The trustees have no outstanding commitments or cash demands which are not adequately covered by existing resources. Consequently, it would be inappropriate at this stage to adopt a specific reserves policy. The trustees will keep this under constant review. In future years a specific reserves policy may be required.

**Risk Management**

A risk assessment has been undertaken which comprises of:

- An annual review of the risks the charity may face
- The establishment of systems and procedures to mitigate those risks; and
- The implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

This continuing process will identify risk areas to which the foundation is vulnerable and highlight any necessary safeguards that will need to be put in place. No major risks were identified at the date of these accounts.

**3. OBJECTIVES AND ACTIVITIES**

The objects of the Charity are to further such charitable purposes and to benefit such charitable institutions as the Trustees think fit. However, its main interest is to improve the lives of children and young people in the UK and overseas from socially disadvantaged backgrounds by increasing their educational opportunities and in particular by paying special attention to supporting orphaned and vulnerable children.

Trustees will refine and develop their focus areas on an ongoing basis as the Foundation establishes itself over time.

**SOFRONIE FOUNDATION****ANNUAL REPORT OF THE TRUSTEES (continued)****FOR THE PERIOD 30 JANUARY 2007 TO 31 MARCH 2008****3. OBJECTIVES AND ACTIVITIES (continued)**

In the forthcoming year the Trustees, whilst wishing to remain flexible, expect to take a special interest in the UK in:

- early intervention programmes with the aim of increasing the educational potential of socially disadvantaged children
- a range of support services around schooling which may include improving school attendance, parenting skills and the emotional and behavioural well being of children

The trustees have a number of powers which are detailed in the memorandum of association and which may be exercised only in promoting the objects.

The trustees must use the income and may use the capital of the foundation in promoting the objects.

**Grant making policies**

The Trustees' grant making policy in the first period has been to generally make donations to registered charitable organisations. Of the seven charities which received Sofronie Foundation grants, three further their charitable activities in the UK and four overseas.

**Grants made during the year**

During the year the Trustees of the Foundation made seven grants totalling £1,106,932:

- The Trustees resolved to give substantial support to Kids Company (Keeping Kids Company) for its everyday activities conducted at its young people's drop-in Kenbury Centre (Arches II), its Urban Academy and its Work-In-Schools programme with a grant of £300,000 in June 2007 and £100,000 in December 2007. The Trustees are delighted that in March 2008 Kids Company learnt that it was successful in its bid to obtain significant government funding.
- Supporting children and young people in Central and Eastern Europe was of particular geographical interest to the Trustees. The Trustees resolved to support Hope and Homes for Children (HHC) which has an excellent deinstitutionalisation programme directed at children's orphanages. HHC have developed a unique model for closing these institutions and successfully re-homing the children in a number of ways. After careful assessment and a two day intensive visit to Romania by a Trustee and the Head of the Foundation, the Trustees resolved to make a grant of £213,140 to principally fund two family style homes as part of the project to close the children's orphanage in Abrud, Romania. Children are expected to move into their new homes in July 2008. In April 2008 the Head of the Foundation visited a conference in Budapest on 'Sharing Successes and Challenges in Deinstitutionalisation' hosted by HHC and the Open Society Institute Mental Health Initiative. A further visit to Romania in 2008 is planned by the Trustees to review both the current project and future grant proposals.

## SOFRONIE FOUNDATION

### ANNUAL REPORT OF THE TRUSTEES (continued)

FOR THE PERIOD 30 JANUARY 2007 TO 31 MARCH 2008

#### 3. OBJECTIVES AND ACTIVITIES (continued)

- The Trustees made a grant of £10,000 to the Wandle Trust for its Trout in the Classroom (TITC) project. The Wandle Trust is an environmental charity dedicated to looking after the river Wandle in south west London. Their TITC project consists of introducing fish tanks into the classroom and teaching children about the life cycle of the trout culminating in the children releasing their fish into the River Wandle. The grant was to fund the participation of ten schools as well as the production of an Education Resource Pack for teachers.
- The Trustees resolved to support the work of the Royal Wanstead Children's Foundation (RWCF), a 180 year old charity which helps support boarding school education for vulnerable children with one or no parents whose home or environment is seriously detrimental to their normal development, where no other suitable care is available and where the child and their parent/guardian/carer wholeheartedly support the boarding school option. The children benefit from high levels of pastoral care and individual attention at their boarding schools. The Trustees made a grant of £150,000 which assisted the Royal Wanstead in putting funding packages together for 74 children to attend boarding school.
- The Trustees made a grant of £66,255 to Child Welfare Scheme, a UK registered charity which was established in 1997 to address the unnecessary suffering of children in Nepal and provide them with opportunities for a brighter future. The grant is specifically towards the running costs of the JYOTI Vocational Training Centre in Pokhara. The training centre provides courses to enable marginalised young people, who might be street children or ex-trafficked girls to become electricians, plumbers, computer operators and care workers.
- The Trustees resolved to support Camfed International by becoming one of their matched funding partners in the 2007 Financial Times Christmas Appeal which chose CAMFED as their nominated charity for the second year running. Camfed supports education for girls living in rural communities in Africa. When the girls complete their education CAMFED provides skills training and credit (micro finance) to enable them to establish their businesses and livelihoods.

The Appeal was very successful. Sofronie Foundation, with the SKOLL Foundation (based in the USA), pledged to match fund the first \$750,000 (£375,000) raised in the Appeal of which Sofronie Foundation's contribution was agreed to be £250,000. The Appeal was tremendously successful with £1.7m being raised in total from matched funders and public donations. The Foundation's contribution is allocated chiefly towards the secondary school education of 600 girls over four years divided between Zambia, Ghana, Tanzania and Zimbabwe (150 girls from each country) and towards supporting 400 young rural women to become economically empowered through business training and grants to establish their own businesses (known as the Seed Money Programme)

- The Trustees made a grant of £17,537 to Mosoly Alapitvany, a charity based in Budapest, Hungary, which supports children who are chronically sick, disabled or from socially disadvantaged backgrounds. The grant is for children participating in four programmes: two art therapy programmes, a digital photography course and a photographic trip to Brussels as part of the Mosoly's 'Traveller's Snapshots' programme. The Head of the Foundation visited Mosoly Alapitvany in Budapest in April 2008 to meet their team and discuss the progress of their work.

**SOFRONIE FOUNDATION****ANNUAL REPORT OF THE TRUSTEES (continued)****FOR THE PERIOD 30 JANUARY 2007 TO 31 MARCH 2008****4. INTERNAL CONTROLS**

The trustees have overall responsibility for ensuring that the charity has appropriate systems of internal controls. They are also responsible for keeping proper 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 follow best practice. They are also responsible for the charity safeguarding its assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The system of internal controls is designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

**5. FINANCIAL REVIEW**

The statement of financial activities on page 9 shows total incoming resources for the period of £1,405,253, foreign exchange gains of £3 and expenditure of £1,178,172, leaving a surplus of £227,084.

During the period, grants and awards were given to 7 charities, all of which were within the objects of the foundation, amounting to £1,106,932. Details of the grants made in the period are disclosed in Note 3 to the accounts.

**6. PLANS FOR THE FUTURE**

The trustees do not propose to deviate from the current objectives and activities of the foundation as detailed in section 3 (page 3) of this report.

**7. AUDITORS**

A resolution will be proposed at the next trustees' Meeting that Rawlinson & Hunter be re-appointed as auditors to the foundation for the year to 31 March 2009.

**Approved by the Trustees on 26 June 2008  
and signed on their behalf by:**

**Corinne Daniele Goddijn-Vigreux  
Chair of Trustees**

**SOFRONIE FOUNDATION****REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEES**

We have audited the financial statements of the Sofronie Foundation (the "charity") for the period 30 January 2007 to 31 March 2008 which comprise the Statement of Financial Activities, the Income and Expenditure Account, Balance Sheet and the related notes. These financial statements have been prepared under the historic cost conventions and under the accounting policies set out therein.

This report is made solely to the charity's trustees, 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 charity's trustees 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 charity and the charity's trustees 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 in the Responsibilities of Trustees (who are also the directors for the purpose of Company law) the trustees are responsible for the preparation of the Trustees' Report and the 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 Accounting (UK 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 relevant financial reporting framework and are prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is consistent with the financial statements, if the charity has not kept proper accounting records or if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remunerations and other transaction is not disclosed.

We read the Trustees' Annual Report, and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

**Basis of audit opinion**

We conducted our audit in accordance with 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 trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity'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.

**SOFRONIE FOUNDATION**

**REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEES (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 charity's affairs as at 31 March 2008 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.

**Rawlinson & Hunter**  
Chartered Accountants  
Eighth Floor  
6 New Street Square  
New Fetter Lane  
London  
EC4A 3AQ

Date : 30 June 2008

**SOFRONIE FOUNDATION**

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)**

**FOR THE PERIOD 30 JANUARY 2007 TO 31 MARCH 2008**

	Page	Unrestricted Funds 2008 £
<b>INCOME AND EXPENDITURE</b>		
<b>Incoming resources from generating funds</b>		
Voluntary income (note 2)	12	1,402,152
Deposit interest		3,101
		<hr/>
<b>Total incoming resources</b>		<b>1,405,253</b>
<b>Resources expended</b>		
Charitable activities:		
Donations and awards (note 3)	12	1,106,932
Support costs (note 4)	12	66,422
Governance costs (note 5)	12	4,818
		<hr/>
<b>Total resources expended</b>		<b>1,178,172</b>
		<hr/>
<b>Net incoming resources before other recognised gains and losses</b>		<b>227,081</b>
<b>OTHER RECOGNISED GAINS / (LOSSES)</b>		
Realised gain on foreign currency transactions		3
		<hr/>
<b>Net movement in funds and total funds carried forward at 31 March 2008</b>		<b>£ 227,084</b>
		<hr/> <hr/>

All the activities of the charity are classified as continuing. All gains and losses recognised in the period are included above.

## SOFRONIE FOUNDATION

## BALANCE SHEET

AT 31 MARCH 2008

	Page	Unrestricted Funds 2008 £
<b>Current assets:</b>		
Debtor (note 6)	13	84,615
Cash at bank (note 7)	13	201,159
		<hr/> 285,774
<b>Liabilities:</b>		
Creditors - Amounts falling due within one year (note 8)	13	58,690
		<hr/> £ 227,084
 <b>Represented by:</b>		
<b>Unrestricted funds</b>		<hr/> <hr/> £ 227,084

**Approved and signed by the Trustees:**

Hendricus (Harold) Coenradus Albertus Goddijn	26 June 2008
Corinne Daniele Goddijn-Vigreux	26 June 2008
Jacqueline Higgin	26 June 2008
Nicholas Mark Kaufmann	26 June 2008

**SOFRONIE FOUNDATION**  
**NOTES TO THE ACCOUNTS**  
**FOR THE PERIOD 30 JANUARY 2007 TO 31 MARCH 2008**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention and are in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005), and applicable UK Accounting Standards, with the following significant accounting policies:-

Under Financial Reporting Standard 1, the charity is exempt from the requirement to prepare a cashflow statement on the grounds of its size.

**Incoming resources**

Voluntary donations and income from interest bearing deposit accounts are included when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

**Resources expended**

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation committing the trustees to the expenditure.

Charitable activities comprise of grants and donations made during the period and are expended through the Statement of Financial Activities when the offer is conveyed to the recipient. The trustees have made the decision not to discount grants committed for future periods.

Governance costs relate to the general running of the foundation, as opposed to the management functions inherent in generating funds.

**Status of funds**

The entire resources of the fund are unrestricted and the trustees have complete discretion for their use in pursuance of its objectives.

**Foreign currency**

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions denominated in foreign currencies are converted at the rate of exchange ruling at the date of the transaction. All translation differences are taken to the statement of financial activities as they arise.

**Pensions**

The Foundation contributes to personal pension plans in respect of their employee. The expenditure charged in the financial statements represents contributions payable in respect of these schemes during the year.

**SOFRONIE FOUNDATION**  
**NOTES TO THE ACCOUNTS**  
**FOR THE PERIOD 30 JANUARY 2007 TO 31 MARCH 2008**

	<b>Page</b>	<b>2008 £</b>
<b>2. VOLUNTARY INCOME</b>		
Donations received		1,317,537
Gift Aid relief		84,615
	9	<u>£1,402,152</u>
<b>3. DONATIONS</b>		
Keeping Kids Company (registered charity no. 1068298)		400,000
Camfed International (registered charity no. 1029161)		250,000
Hope & Homes for Children (registered charity no. 1089490)		213,140
Royal Wanstead Children's Foundation (registered charity no. 310916)		150,000
Child Welfare Scheme (registered charity no. 1106156)		66,255
Mosoly Alapitvany (EUR 24,400)(registered charity no. AM 1239)		17,537
The Wandle Trust (registered charity no. 1091000)		10,000
	9	<u>£1,106,932</u>
<b>4. SUPPORT COSTS</b>		
Staff costs - staff salary		37,917
Staff costs - employer's national insurance		4,185
Staff costs - staff pensions		2,100
Staff costs - other staff benefits		1,821
Marketing costs		10,494
Legal fees		6,777
Printing and stationery expenses		1,554
Conferences and training costs		879
Travel and subsistence expenses		540
Subscriptions		155
		<u>£ 66,422</u>
<p>Total average number of employees was 1. The trustees were not paid any salaries, nor any expenses during the period.</p>		
<b>5. GOVERNANCE COSTS</b>		
Accountancy fees		3,055
Audit fees		1,763
	9	<u>£ 4,818</u>

**SOFRONIE FOUNDATION**  
**NOTES TO THE ACCOUNTS**  
**FOR THE PERIOD 30 JANUARY 2007 TO 31 MARCH 2008**

	Page	2008 £
<b>6. DEBTOR</b>		
Gift Aid relief	10	£ 84,615
<b>7. CASH AT BANK</b>		
Goldman Sachs Income Account		183,665
Goldman Sachs Euro Revenue Account		44
Barclays Current Account		17,450
	10	£ 201,159
<b>8. CREDITORS</b>		
Staff costs		46,023
Marketing costs		3,641
Legal fees		3,466
Accountancy fees		2,191
Travel and subsistence expenses		1,606
Audit fees		1,763
	10	£ 58,690

**9. RELATED PARTY TRANSACTIONS**

One of the trustees has donated total funds of £1,317,537 to the charity in the period.

**10. ULTIMATE CONTROLLING PARTY**

The trustees consider that the charity is jointly controlled by the trustees and that there is no ultimate controlling party.