

**FRIENDS OF LUDHIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER 2008**

**Company Number: 497421
Charity Registered Number: 314148**

**Jacob Cavenagh & Skeet
Chartered Accountants
5 Robin Hood Lane
Sutton
Surrey SM1 2SW**

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FRIENDS OF LUDHIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER 2008

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FRIENDS OF LUDHIANA

REPORT OF THE COUNCIL OF MANAGEMENT FOR THE YEAR ENDED 31ST DECEMBER 2008

The Council of Management have pleasure in presenting their report and the accounts for the year ended 31st December 2008, which have been prepared in accordance with the Charities Act 1993, and the Statement of Recommended Practice, Accounting & Reporting by Charities.

Objects of the charity

The principal activity of the Friends of Ludhiana is to carry on charitable work for the benefit of the Christian Medical College (CMC) in Ludhiana, India, comprising a medical college, dental college, college of nursing, college of physiotherapy and hospital. The charity does this through the dissemination of news of the work of the institution, recruiting of volunteers with medical expertise and facilitating student elective placements in various disciplines, as well as raising of funds in support of CMC's activities.

Organisation

The charity is a company limited by guarantee and governed by its Memorandum and Articles of Association.

The activity of the Friends of Ludhiana is controlled by the Council of Management for policy decisions. In addition to the Council of Management, there is a Board of Reference who act entirely in an advisory capacity. The Board of Reference are not trustees of the Charity or directors of the Company.

Friends of Ludhiana operates out of its London office which is serviced by an Executive Officer (full-time) under the direction of the Council of Management. Area Representatives (honorary) seek to promote the interest of the charity throughout the United Kingdom.

Council of Management

The Council of Management is elected from the membership of the Friends of Ludhiana, proposed by the members of the Company or by the Council of Management in accordance with the provisions of its Memorandum and Articles of Association.

The following persons have served as members of the Council of Management:

Dr K R Hine	President and Chairman
Mr P J Clark	Honorary Treasurer
Dr R P Britt	
Miss B Dey	
Miss M A Heath	
Dr C W Hyde	
Mr T Jenns JP	Company Secretary
Dr H C Mulholland	
Rev Dr J A Rennie	Vice President
Dr S S Thomas	(from June 2008)
Miss A R Tootle	
Miss M E Howard	Vice Chairman (retired June 2008)
Mrs C Standing	(retired June 2008)

The Council acknowledges the service of Miss Heath as Company Secretary until December 2008, and is grateful to Mr Jenns for taking on the role thereafter.

Risk

The Trustees undertake ongoing reviews of all areas, but especially of those areas where risk has been identified, and have implemented systems to mitigate these risks.

FRIENDS OF LUDHIANA

REPORT OF THE COUNCIL OF MANAGEMENT FOR THE YEAR ENDED 31ST DECEMBER 2008 (continued)

Responsibilities of Council of Management

The Council of Management is responsible for preparing the Report of the Council and the financial statements in accordance with applicable law and regulations. Company law requires the Council of Management to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for the period. In preparing those financial statements, the Council of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Council of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable it to ensure that the financial statements comply with the Companies Act 1985. It is 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.

Review of activities

Friends of Ludhiana has continued to support the Christian Medical College (CMC) Ludhiana which is seen as an institution of care and compassion with opportunities to serve people from all walks of life – rich and poor, urban and rural. The work of CMC Ludhiana has continued, both in the expansion of existing areas and the inception of new and exciting developments.

In April 2008 the Governing Body of CMC appointed a new Director. The previous Director (Dr. John Pramod) had stood down in March and the post had been temporarily filled by Dr. Abi M. Thomas (Principal of the Dental College) until the Governing Body meeting in April. The new Director is Dr. Abraham G. Thomas. He is a graduate of CMC Ludhiana (1973) and for many years was a member of the Faculty at CMC and Principal of the Medical College. More recently he has been the Director at a medical college in Kerala. He is a Plastic Surgeon and has an international reputation having been the first surgeon in the world to perform a successful autologous face transplant. He has brought with him considerable management experience.

The Friends of Ludhiana Council of Management has met four times during the year and considered not only how to consolidate our support in established ways, but to seek new opportunities to assist in the work and respond to the challenges presented to us. The Council continues to seek senior medical staff who have visited Ludhiana to play an active role in the charity's future plans and to recruit and engage younger members with interest in the aims of the charity.

The Council was represented at both meetings of the Governing Body at CMC during the year, and these visits have sought to add fresh impetus to the work of Friends of Ludhiana. Visits from CMC staff to the UK and by Trustees to the Hospital and College in Ludhiana, have been important ways in which our support is tailored to the needs of CMC.

Volunteers The recruitment of volunteers (medical, dental, nursing, paramedical and support services) to share in the work at CMC continues to be one of the main contributions made. Co-ordination and logistic support is given to visiting medical academics and specialists from the UK. As well as responding to enquiries generated from publicity, the Friends of Ludhiana has also advertised the need for specific personnel to the members of Christian medical organisations. This year has seen some eight people give expert service (professional input, expertise and encouragement in their specialities).

FRIENDS OF LUDHIANA

REPORT OF THE COUNCIL OF MANAGEMENT FOR THE YEAR ENDED 31ST DECEMBER 2008 (continued)

Volunteers raise personal funding, or pay personally, for the costs of travel to India. The volunteer support costs only reflect that direct financial support made by the charity. CMC continues to welcome and benefit considerably from the volunteer support, the true financial value of which is impossible to quantify.

Electives In 2008 the Friends of Ludhiana assisted one medical, one nursing and two dental students in spending their elective placements at CMC Ludhiana. Trustees, London office and volunteers are involved in processing applications, taking up references, giving advice, putting in place care protocols and debriefing upon the electives' return. We have sought to maintain active contact with students upon their return to UK, but as those students qualify and commence their professional careers they have less time to continue their interest in the work at CMC or in our support of the hospital activities.

CMC Ludhiana staff development Friends of Ludhiana has continued to assist members of CMC staff, either through short visits to observe particular hospital departments or to attend courses and conferences, in UK. This represents a small part of direct charitable expenditure, and the charity's policy will continue to focus primarily on local development opportunities to allow a wider range of CMC staff to benefit and to improve cost-effectiveness.

Equipment The sending of donated medical equipment still plays a part of the work in UK. We are grateful to a number of volunteers who, seeing the need at CMC Ludhiana, have been able to donate items of equipment and technical material which will be useful to CMC's work.

Fund-raising CMC Ludhiana has a continuing need for the input of both voluntary support and financial resources from Friends of Ludhiana. Many projects have focused on providing free or highly subsidised treatment for poor patients and scholarships for student nurses and it is hoped that through its continued UK support base, Friends of Ludhiana will be able to support projects which seek to help the poor, needy and underprivileged people of Ludhiana, as well as CMC's own outreach programmes. Our nurse sponsorship scheme is currently benefiting 21 students. In addition we will consider support for capital projects identified by the Director and during the year through the generosity of a number of supporters we have enabled CMC to upgrade facilities in the hospital and colleges. One of our Trustees works tirelessly to seek financial contribution from Trusts and our publicity material continues to remind members of the benefits of legacies to charities such as Friends of Ludhiana.

Practical Support From existing resources the trustees have agreed to support the Patient Care Fund, the Eye Clinic, Transformers for hostel generators and a Molecular Biology Laboratory for the Betty Cowan Research and Innovation Centre. More details of these projects are:-

PATIENT CARE FUND: CMC was the leading provider of medical facilities in northern India for many years. It had little serious competition and, as a teaching facility, had the highest medical standards. In the last ten years, attracted by the rising prosperity of Ludhiana as a manufacturing centre with an urban population of about one and half million (which is doubled by the rural population of the catchment area), there has been a significant growth of local clinics and private hospital facilities. The CMC administration has concentrated its main funding on the provision of medicine and medical facilities and now the hospital fabric and infrastructure is in need of attention. Decoration, signage, reception facilities and patient facilities will be improved by this expenditure with the intention of enhancing patients' positive experience of the hospital and recovering CMC's position as the medical provider of first recourse in as many cases as possible.

These plans have been agreed with the Director and the Medical Superintendent and the various departmental staff. The proposed budget for the work is 20 lakh rupees (or about £25,000) from the range of estimates provided. The work has begun.

FRIENDS OF LUDHIANA

REPORT OF THE COUNCIL OF MANAGEMENT FOR THE YEAR ENDED 31ST DECEMBER 2008 (continued)

THE EYE CLINIC: CMC has developed a tremendously good reputation for the care and treatment of eyes and especially cataract surgery in the field, at so called 'Eye Camps'. These camps are held in villages far from Ludhiana, where specialist doctors go to the patients and triage up to 2,000 potential patients and then conduct the required cataract surgery on up to 200 of them. These operations used to be performed in a specially prepared room of a school or similar community building. Despite infection rate being exceptionally low, modern practice dictates that such operations should be conducted at the hospital. The recent development of new facilities beside the existing purpose built Eye Clinic encroaching on its facilities, linked to the increased need for day treatment and cataract surgery conducted in the hospital, require the improvement of their facilities. This involves the building of another operating theatre and a new outpatient facility.

Our donation towards this work is part of a multi-donor package with Orbis International and CBM International, both much larger charities working in the field of eye care. Our proposed contribution is 20 lakh rupees (or about £25,000). The plans have been discussed with the professor and departmental staff and it is proposed to commence work within a year.

TRANSFORMERS FOR HOSTEL GENERATORS: The supplies of electricity to the College Campus and Ross Hostel sites are through poor underground cabling. There are significant power leakages, which put the main Hospital sites supply under considerable strain, and could lead to a total system collapse at any time. These two new step-down transformers with ancillary supply wiring will save money wasted by voltage reductions and help to maintain the integrity of the Hospital supply.

MOLECULAR BIOLOGY LABORATORY FOR THE BETTY COWAN RESEARCH AND INNOVATION CENTRE: For many years CMC has been a major centre for medical delivery and innovative techniques in Northern India. The Betty Cowan Research and Innovation Centre has been set up to encourage original medical research and support post-graduates within CMC and the hospital. This new state-of-the-art molecular biology laboratory is being part funded from research grants and part by Friends of Ludhiana UK and other Friends around the world to provide a facility for the delivery of advanced molecular biology.

Supporter base The Council continues to keep its mailing list under review and developing links with supporters through e-mail and our website to keep them informed of events at CMC and the work of Friends of Ludhiana in supporting them. We organised a major Open Meeting in Birmingham in 2008, and our Area Representatives run local events in other areas as well.

Financial Review

Overall income including legacies amounted to £115,371 as compared to the previous year's total of £159,856.

London support and administration totalled £36,367 in this year as compared to £39,056 in the previous year.

The Trustees are mindful of the need to ensure effective use of the Charity's resources and are pleased to report that £65,958 has been utilised in support of the activities in India. There were restricted funds not expended at the 31st December of £20,624 of which £2,201 is an endowment fund.

The continued financial support of CMC is entirely dependant on the ongoing support from the members and other contacts and charitable institutions within the UK. The Trustees are however confident that the charity has within the meaning of the Charities Act, sufficient support for those current commitments and support projects.

Friends of Ludhiana will continue to support projects which seek to help the poor, needy and underprivileged people of Ludhiana and those seen through CMC's outreach programmes.

FRIENDS OF LUDHIANA

REPORT OF THE COUNCIL OF MANAGEMENT FOR THE YEAR ENDED 31ST DECEMBER 2008 (continued)

The Council of Management has considered carefully issues surrounding donations of all kinds and agreed a policy which would seek to welcome donations from different sources, although to discourage certain conditions placed on donations wherever possible. Alongside this guidelines established for project funding have sought to address factors particularly pertinent to larger projects.

As part of its fund-raising programme the Friends of Ludhiana has continued to seek to identify charitable trusts within the United Kingdom that might be approached to consider making a contribution to essential and worthwhile projects at CMC.

The Council of Management would like to thank the members of the Friends of Ludhiana for their prayerful support and interest in 2008 and trust that it may continue.

Financial Statements

The Financial Statements, shown on pages 8 to 15, have been prepared to comply with the Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2005) issued by the Charity Commission.

Investment policy

The Trustees, having taken knowledge of their commitment and funding position, have researched the market. Having considered their findings they have placed monies on short-term deposits at the best rates available.

Reserves policy

It is the policy of the charity to maintain this fund at a level which equates to approximately twelve months unrestricted expenditure. This provides sufficient funds to cover management and administration and support costs. The fund was maintained at this level throughout the year.

It is the policy of the charity to maintain unrestricted funds, which are the free reserves of the charity. The trustees will review the level of this reserve to provide sufficient to cover management and support costs and to respond to emergency applications for grants which may arise from time to time.

Commitments

Apart from the details set out in note 14 to the accounts, the Council has not entered into any legally or morally binding charitable commitments or guarantees which might require separate disclosure.

In the view of the council its assets are fully available and adequate to meet its obligations.

Professional advisers

Bankers: CAF Bank Limited
Kings Hill
West Malling
Kent ME19 4TA

Reporting Accountants: Jacob Cavenagh & Skeet
5 Robin Hood Lane
Sutton
Surrey SM1 2SW

FRIENDS OF LUDHIANA

**REPORT OF THE COUNCIL OF MANAGEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2008 (continued)**

Small company

This report is prepared in accordance with Part VII of the Companies Act 1985 relating to small companies.

BY ORDER OF THE COUNCIL

8 Marshalsea Road
London
SE1 1HL

26 May 2009



Dr Keith R Hine

**ACCOUNTANTS' REPORT TO THE MEMBERS OF
FRIENDS OF LUDHIANA**

We report on the accounts for the year ended 31st December 2008, which are set out on pages 8 to 15.

Respective responsibilities of Council of Management and reporting accountant

As described on pages 1 and 2, the company's Council of Management are responsible for the preparation of the financial statements, and they consider that the company is exempt from an audit. It is our responsibility to examine the financial statements and, based on our examination, to report our opinion, as set out below to the members.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants issued by the Auditing Practices Board, and so our procedures consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the financial statements are in agreement with the accounting records kept by the company under s221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in s249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the financial statements for the year, specified in s249A(4) of the Act as modified by s249A(5) and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in s249B(1).

Jacob Cavenagh + Skeet

Jacob Cavenagh & Skeet
Reporting Accountants
5 Robin Hood Lane
Sutton
Surrey SM1 2SW

5 June 2009

FRIENDS OF LUDHIANA

STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure account) FOR THE YEAR ENDED 31ST DECEMBER 2008

		2008				2007
		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Total Funds
	Note	£	£	£	£	£
Incoming resources						
<i>Incoming resources from generating funds</i>						
Donations		46,899	15,949	-	62,848	106,130
Donated assets		-	11,000	-	11,000	-
Legacies		31,250	-	-	31,250	40,591
Investment income		9,988	-	105	10,093	12,648
Other income		180	-	-	180	487
Total incoming resources		<u>88,317</u>	<u>26,949</u>	<u>105</u>	<u>115,371</u>	<u>159,856</u>
Resources expended						
<i>Costs of generating funds</i>						
Fundraising and publicity		9,131	-	-	9,131	7,816
<i>Charitable activities</i>		93,513	16,379	110	110,002	218,909
<i>Governance costs</i>		<u>3,323</u>	<u>-</u>	<u>-</u>	<u>3,323</u>	<u>3,381</u>
Total resources expended	4	<u>105,967</u>	<u>16,379</u>	<u>110</u>	<u>122,456</u>	<u>230,106</u>
Net incoming/(outgoing) resources – net income/(expenditure) for the year	5	(17,650)	10,570	(5)	(7,085)	(70,250)
Total funds brought forward		<u>209,935</u>	<u>7,853</u>	<u>2,206</u>	<u>219,994</u>	<u>290,244</u>
Total funds carried forward		<u>192,285</u>	<u>18,423</u>	<u>2,201</u>	<u>212,909</u>	<u>219,994</u>

All recognised gains and losses are reflected through the Statement of Financial Activities and no separate Statement of Total Recognised Gains or Losses is presented. There were no discontinued or acquired activities during the current or preceding year.

BALANCE SHEET

AT 31ST DECEMBER 2008

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FRIENDS OF LUDHIANA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2008

1 ACCOUNTING POLICIES

(a) Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005), applicable accounting standards and the Companies Act 1985. The principal accounting policies adopted in the preparation of the financial statements are as follows.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from producing a cash flow statement, on the grounds that it is a small company.

(b) Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated equipment and journals are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers. No incoming resources have been recognised net of expenditure.

(c) Restricted funds

These are funds which are restricted when given by the donor as to the purpose for which they can be used. The Council of Management is obliged to follow the donor's wishes or return the monies to the donor if they are unable to do so.

Unrestricted funds

Unrestricted funds are given free of restriction by the donor and are to be used by the Council of Management in accordance with the objects of the charity generally.

(d) Stocks

Stocks are stated at the lower of cost and net realisable value, cost being the cost incurred in bringing the stock to its present location and condition. Net realisable value is based on estimated selling price.

(e) Operating leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged as incurred.

(f) Charitable activities

This comprises all direct and support expenditure incurred in undertaking work to meet the charitable objectives.

(g) Governance costs

This comprises all expenditure relating to compliance with constitutional and statutory requirements and other costs which cannot be treated as charitable expenditure.

FRIENDS OF LUDHIANA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2008 (continued)

1 ACCOUNTING POLICIES (continued)

(h) Costs of generating funds

This comprises all expenditure relating to raising funds for the charity.

(i) Allocation of costs

Staff costs are allocated on the basis of time spent.

2 CONSTITUTION OF THE COMPANY AND MEMBERSHIP

The company is limited by guarantee, and each member is under covenant to contribute a sum not exceeding £1 in certain circumstances as set out in clause 8 of the Memorandum of Association.

At 31st December 2008, the Friends of Ludhiana had 201 members (2007: 213).

3 COUNCIL MEMBERS' REMUNERATION

Peter Clark, a trustee, was formerly a partner at Clark Blair and is now a partner at Morley and Scott; during the year the company paid them £610 (2007: £388) for taxation and payroll services.

Because Tim Jenns has been actively involved in restructuring at CMC Ludhiana, his travel costs of £2,368 (2007: £3,945) for four visits during the year has been supported by Friends of Ludhiana.

During the year travel and other expenses of £1,650 (2007: £1,533) were paid for six Council members (2007: six Council members).

4 TOTAL RESOURCES EXPENDED	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2008 £	Total 2007 £
Costs of generating funds					
Staff costs	5,956	-	-	5,956	5,971
Publicity and promotions	<u>3,175</u>	<u>-</u>	<u>-</u>	<u>3,175</u>	<u>1,845</u>
	<u>9,131</u>	<u>-</u>	<u>-</u>	<u>9,131</u>	<u>7,816</u>
Charitable activities					
Support funds to India	47,350	5,379	110	52,839	170,999
Volunteer support, CMC staff travel & equipment	12,367	11,000	-	23,367	9,297
Staff costs	23,823	-	-	23,823	23,882
Premises costs	6,250	-	-	6,250	7,137
Other costs	<u>3,723</u>	<u>-</u>	<u>-</u>	<u>3,723</u>	<u>7,594</u>
	<u>93,513</u>	<u>16,379</u>	<u>110</u>	<u>110,002</u>	<u>218,909</u>
Governance costs					
Accountancy	2,398	-	-	2,398	2,445
Council expenses	<u>925</u>	<u>-</u>	<u>-</u>	<u>925</u>	<u>936</u>
	<u>3,323</u>	<u>-</u>	<u>-</u>	<u>3,323</u>	<u>3,381</u>
Total resources expended	<u>105,967</u>	<u>16,379</u>	<u>110</u>	<u>122,456</u>	<u>230,106</u>

FRIENDS OF LUDHIANA**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2008 (continued)**

5	NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR	2008	2007
		£	£
	This is stated after charging:		
	Reporting accountant's remuneration	<u>2,035</u>	<u>2,058</u>
6	STAFF COSTS	2008	2007
		£	£
	Wages and salaries	24,835	24,875
	Social security costs	2,490	2,523
	Pension contributions	<u>2,454</u>	<u>2,454</u>
		<u>29,779</u>	<u>29,852</u>
	The average weekly number of employees during the year was made up as follows:	No	No
	Administration – full time	<u>1</u>	<u>1</u>
	No employees received emoluments exceeding £60,000 during the year.		
7	STOCK	2008	2007
		£	£
	Stationery and brochures	<u>418</u>	<u>390</u>
8	DEBTORS	2008	2007
		£	£
	Other debtors	22,396	8,750
	Prepayments	<u>269</u>	<u>1,252</u>
		<u>22,665</u>	<u>10,002</u>
9	CREDITORS: Amounts falling due within one year	2008	2007
		£	£
	Taxes and other social security costs	814	716
	Other creditors	1,187	1,727
	Accruals	<u>3,243</u>	<u>5,901</u>
		<u>5,244</u>	<u>8,344</u>

FRIENDS OF LUDHIANA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2008 (continued)

10 NET ASSETS

The balances carried forward on the various funds are held as follows:

	<i>Tangible fixed assets</i> £	<i>Net current assets</i> £	<i>Total 2008</i> £	<i>Total 2007</i> £
Unrestricted funds	-	192,285	192,285	209,935
Restricted funds	-	18,423	18,423	7,853
Endowment funds	-	2,201	2,201	2,206
	<u>-</u>	<u>212,909</u>	<u>212,909</u>	<u>219,994</u>

11 UNRESTRICTED FUNDS

	<i>Balance at 1st January 2008</i> £	<i>Incoming resources</i> £	<i>Resources expended</i> £	<i>Allocation</i> £	<i>Balance at 31st December 2008</i> £
General	84,935	88,317	(105,967)	(44,200)	23,085
Closure Costs	-	-	-	37,500	37,500
Mother and Baby Unit	65,000	-	-	(65,000)	-
Eye Clinic	25,000	-	-	-	25,000
Patient Care	25,000	-	-	(2,300)	22,700
Molecular Biology Laboratory	-	-	-	34,000	34,000
Hostels transformers	-	-	-	40,000	40,000
Betty Cowan Community Health Research Project	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
	<u>209,935</u>	<u>88,317</u>	<u>(105,967)</u>	<u>-</u>	<u>192,285</u>

As explained in the Trustees' report, CMC has undertaken a complete review of its teaching facilities and apart from funds already committed and transferred to Ludhiana, the Trustees are desirous to continue this support and have allocated potential grants as follows –

Closure Costs – The Trustees have set aside £37,500 to meet ongoing rents, redundancy costs in the eventuality of the charity closing its UK activities.

Mother and Baby Unit – After his appointment the new Director reviewed the priority needs for the Medical, Teaching and Community Projects. Although the Mother and Baby Unit was well constructed and thought out, it was decided that other projects were more essential so Friends of Ludhiana has reallocated the funds which it had set aside for the Mother and Baby Unit.

Eye Clinic – For the improvement of CMC's ophthalmic facilities including the building of another operating theatre and a new outpatient facility.

Patient Care – For the improvement of the CMC hospital fabric and infrastructure through decoration, signage, reception and patient facilities to enhance patients' experience.

Molecular Biology Laboratory – To continue the development of state-of-the-art medical research and diagnostic services in CMC.

Hostel transformers and wiring - To provide new, desperately required, electrical supply to the Swann hostel and the Colleges also at Ross Hostel.

Betty Cowan Community Health Research Project – In honour of Dr. Betty Cowan and continuing her interest in Community Health, CMC is undertaking the creation of a database and detailed research to monitor, evaluate and improve the understanding of the delivery of primary health care services through four partner hospitals in North India. The Trustees have allocated £10,000 to support this project.

FRIENDS OF LUDHIANA

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2008 (continued)

12 RESTRICTED & ENDOWMENT FUNDS

The balance of Restricted Funds at the beginning of year was £10,059. During the year £27,054 was received and £16,489 expended, resulting in a balance carried forward of £20,624.

In all there were in the year in excess of 24 funds. The Trustees have been actively working with the donors and indeed with CMC to reduce these numerous small funds.

The major funds are detailed below –

	Balance at 1st January 2008 £	Incoming resources £	Resources expended £	Balance at 31st December 2008 £
Dental Health Programme	641	-	-	641
Poor Patients' Funds and related projects	2,385	9,649	-	12,034
Student Sponsorship	2,278	2,522	(4,270)	530
Dr. Betty Cowan Research and Innovation Centre	60	50	-	110
Equipment and related projects	1,018	14,353	(11,000)	4,371
Other Funds	1,471	375	(1,109)	737
<i>Subtotal</i>	<u>7,853</u>	<u>26,949</u>	<u>(16,379)</u>	<u>18,423</u>
Pushpa Bhatti Memorial Fund (endowment)	2,206	105	(110)	2,201
<i>Total</i>	<u>10,059</u>	<u>27,054</u>	<u>(16,489)</u>	<u>20,624</u>

These funds are maintained for the following purposes:

- **Dental Health Programme** – Towards the upgrading of the mobile dental van used by the Christian Dental College at CMC Ludhiana to take its outreach services into rural areas where dental services are not readily accessible to adults and children.
- **Poor Patients' Funds and related projects** – For the benefit of poor and needy patients treated by CMC Ludhiana, either in the hospital itself or through outreach camps and clinics in both the surrounding urban and rural community.
- **Student Sponsorship** – For the tuition and other fees of MBBS medical and BSc(N) and GNM nursing students at CMC Ludhiana.
- **Dr. Betty Cowan Research and Innovation Centre** – Towards the establishment, maintenance and ongoing work of this centre at CMC Ludhiana.
- **Equipment and related projects** – Towards the purchase of equipment and donation of equipment for upgrade of facilities in CMC's colleges and hospital departments.
- **Pushpa Bhatti Fund** – Capital amount held on deposit in the UK, and the interest to be used for the benefit of pupils at St Thomas' School, Ludhiana.

FRIENDS OF LUDHIANA

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2008 (continued)

13 COMMITMENTS UNDER OPERATING LEASES

At 31st December 2008 the company had commitments for payments in the following year under non-cancellable operating leases as set out below:

	2008 £	2007 £
<i>Land and buildings</i>		
Operating leases which expire - in the next year	-	-
between 2 and 5 years	6,055	-
in more than 5 years	<u>-</u>	<u>6,055</u>

A new lease was signed in February 2008 covering the 6 years from June 2007; rent including service charge is set at £6,055 per annum with a rent review due in June 2010.

14 TAXATION

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