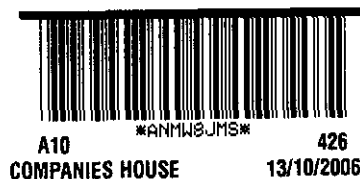


**EUROPE TO EUROPE
(LIMITED BY GUARANTEE)**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 NOVEMBER 2005**

COMPANY REGISTRATION NUMBER: 2663301



**EUROPE TO EUROPE
(LIMITED BY GUARANTEE)**

LEGAL AND ADMINISTRATIVE INFORMATION

**FOR THE YEAR ENDED
30 NOVEMBER 2005**

STATUS

The organisation is a charitable company limited by guarantee (incorporation number 2663301).

The company is a registered charity, number 1019824.

The company was established under a Memorandum of Association which established the objects and aims of the charitable company and is governed under its Articles of Association.

MANAGEMENT COMMITTEE

G Giles	(Chairman)
P Scrase	(Treasurer)

REGISTERED OFFICE

59 Shanklin Road
Upper Shirley
Southampton

**EUROPE TO EUROPE
(LIMITED BY GUARANTEE)**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 NOVEMBER 2005**

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FINANCIAL STATEMENTS:**

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**EUROPE TO EUROPE
(LIMITED BY GUARANTEE)**

DIRECTORS' REPORT

**FOR THE YEAR ENDED
30 NOVEMBER 2005**

The directors have pleasure in presenting their report and the unaudited Financial Statements of the company for the year ended 30 November 2005.

PRINCIPAL ACTIVITIES

The company is a registered charity, number 1019824.

The principal activity of the company during the year was helping handicapped and vulnerable Romanian children and the resocialization of prisoners in Romania, in conjunction with Europa pentru Europa, which is the sister charity in Romania.

REVIEW OF THE YEAR

The main focus of our activity continued to be in Romania. However, as in recent years, the charity has extended its mission to other countries both for the benefit of our core activities and also to apply knowledge and expertise where appropriate. Within Romania, our grassroots, educational and leadership initiatives developed successfully with encouraging outcomes in the lives of our disadvantaged beneficiaries, students and collaborators. In conjunction with our sister charity in Romania we have made numerous achievements as described in the following paragraphs.

Grass Roots

During this year, three of the young people we supported for 15 years entered the final year of their university courses. Monica was studying secretarial skills and office administration. Maria was reading Social Work and Constantin chose to major on Literature in his English and Journalism degree. After completing her two-year professional studies course, Monica accepted an invitation to visit our long-standing supporters in Tennessee. She was granted a 10 year US multiple entry medical visa with a view to receiving post-polio treatment. This had been proposed ten years previously but official obstacles had stopped her benefiting from American assistance earlier. As with many of the other young people we assisted since the collapse of communism, our purpose has been to promote development of their character, life-skills and education. The outcomes are now visible in their academic achievements, personal relationships/marriages and for others, through their success in finding independence through full-time paid work.

We continued to invest in our property to sustain existing activities and to prepare for future projects. In the 'Europa' boys' house the internal and exterior walls were repaired and painted. It was also necessary to replace the gas central heating boiler. Thanks to a grant from DFID to our Romanian sister-charity, a company was contracted and paid to continue renovations on the farmhouse at Siria making it nearly ready for occupation. We enjoyed a visit from the British Ambassador and other members of his staff. A work team also travelled out from Britain to prepare for Phase 2 of this development. Our abandoned girl's apartment in Rahova, Bucharest became registered as charitable property. It required new double glazing to stop draughts, condensation and damp. This was installed before the winter, which the five residents greatly appreciated. In Jucu a group from Bucharest Girl Guides organized a summer youth camp. An advance party repaired burst copper piping and worked on the garden and driveway. Volunteers from New Zealand and USA conducted Bible Camps for families and young people from various local churches. We continued to help our friends from ROSEP with the legal process to transfer ownership of their house in Santana into our responsibility.

**EUROPE TO EUROPE
(LIMITED BY GUARANTEE)**

**DIRECTORS' REPORT
(CONTINUED)**

FOR THE YEAR ENDED 30 NOVEMBER 2005

REVIEW OF YEAR (CONTINUED)

Education

Our education initiatives ranged across the areas of knowledge required to train and prepare East-European students and professionals to engage fully in the objectives established in our developmental programmes. These included courses on justice reform, child protection, human rights, drug recovery and social work. As primary partner with ANA - the Romanian national anti-drug administration - we initiated projects to prevent, research and address the growing crisis of illicit drug transportation, consumption and production. At the invitation of the Romanian drug czar, we participated in an international conference in Bucharest to examine the role of the Church and the concept of 'Faith and Addiction'. At Vasile Goldis University in Arad and Satu Mare, we produced the curriculum and launched a new 'Community Justice Administration and Drugs' Masters Degree with 100 students. These modules will be made available on our EuropaClass website. Our staff and volunteers continued an active program in Arad jail for women and the maximum security penitentiary for juveniles and men. Classes on functional literacy, numeracy, English, computer skills and drama were enthusiastically attended. We also provided legal advocacy and social counselling throughout the year.

With ministerial, university and medical observers, we successfully demonstrated the latest technology (Neuro-Electric Therapy - NET) for detoxification of opiate and other drug dependencies. Two training seminars were conducted by an expert flown in from Ireland and the groundwork was laid for a strategic interdisciplinary program that is intended to become a model of best practice in drug recovery treatment. During the year our capacity to extend this mission to smokers, alcoholics and hard drug users grew in scale and scope through close communication and support from the family of Dr Meg Patterson who pioneered the system of NET. The vision of wide-scale drug recovery projects was taken up by the Torch Project, which reached many faith communities seeking direction in contemporary mission needs across the region and the country. Almost inevitably, our friends in Tennessee and Kentucky became aware of the break-through being achieved with addicts in Romania and sought to make this available there also. This led to collaboration with American faith-based drug court and prison workers who recognized that our experience was cross-culturally relevant in their 'war against drugs and organized crime'.

Leadership

Mentoring good leadership, values and character continued to be a significant aspect of our mission in the Balkans. Given the privilege of selecting three participants at the President's Prayer Breakfast in Washing DC, we invited and sponsored (with World Vision) a former Mayor of Arad in charge of social and educational programs and European integration; a Supreme Court Judge who later became the minister responsible for the legislative reform and the Secretary of State responsible for the Romanian Anti-Drug Administration. Our organization continues to be a full member of the International Council on Alcohol and Drugs. We had previously arranged sponsorship for delegates to the ICAA in Toronto and Venice. This year the annual conference was located in Budapest so we and our Romanian colleagues were easily able to participate, just over the border in Hungary.

**EUROPE TO EUROPE
(LIMITED BY GUARANTEE)**

**DIRECTORS' REPORT
(CONTINUED)**

FOR THE YEAR ENDED 30 NOVEMBER 2005

REVIEW OF YEAR (CONTINUED)

Leadership (Continued)

Other international leadership forums sought our participation and provided scholarships or bursaries for us to share our practice in drug demand/supply reduction. The US National Institute on Drug Administration (NIDA) paid for our presentation at their annual congress in Florida and the FCO symposium at Wilton Park subsidized our participation in their round-table of experts. We gladly agreed to identify with and share in the launching this year of the Ratiu Foundation for Democracy through leading the evaluation team and also by becoming an advisory member of the Ratiu Family Foundation (Ioan Ratiu - a businessman, intellectual and politician - had been tremendously involved in the struggle for freedom and renewal in Romanian life before and after the collapse of communism.)

Anticipating future needs, we are well positioned to play a significant role in child and youth protection for the most vulnerable - justice reform, drug recovery and social development projects in poor neighbourhoods. Our programs and infrastructure are established, sustainable and forward-looking. Given the necessary personnel and financial resources, we have great capacity for further expansion in scale and scope.

DIRECTORS

The directors who served the company during the year were as follows:

G Giles

P Scrase

**EUROPE TO EUROPE
(LIMITED BY GUARANTEE)**

**DIRECTORS' REPORT
(CONTINUED)**

FOR THE YEAR ENDED 30 NOVEMBER 2005

DIRECTORS' RESPONSIBILITIES

Company law requires directors to prepare Financial Statements for each financial year, which give a true and fair view of the company's state of affairs at the end of the year and surplus or deficit for the year then ended.

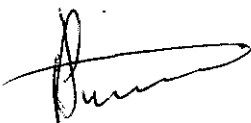
In preparing those Financial Statements, the directors are required to select suitable accounting policies as described on page 8 and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose, at any time, the financial position of the company and to enable them to ensure that the Financial Statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Approved by the directors on 28 September 2006

A handwritten signature in black ink, appearing to be a stylized 'D' followed by a long horizontal stroke.

**INDEPENDENT EXAMINER'S REPORT
TO THE DIRECTORS OF**

**EUROPE TO EUROPE
(LIMITED BY GUARANTEE)**

**FOR THE YEAR ENDED
30 NOVEMBER 2005**

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND EXAMINER

As the charity's directors, you are responsible for the preparation of the Financial Statements; you consider that the audit requirement of section 43(2) of the Charities Act 1993 (the Act) does not apply. It is my responsibility to state, on the basis of procedures specified in the General Directions given by the Charity Commissioners under section 43(7)(b) of the Act, whether particular matters have come to my attention.

BASIS OF INDEPENDENT EXAMINER'S REPORT

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as directors concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, I do not express an audit opinion on the view given by the accounts.

INDEPENDENT EXAMINER'S STATEMENT

In connection with my examination, no matter has come to my attention:

1. which gives us reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 41 of the Act: and
 - to prepare Financial Statements which accord with the accounting records and to comply with the accounting requirements of the Act.have not been met, or:
2. to which, in our opinion, attention should be drawn in order to enable a proper understanding of the Financial Statements to be reached.



**230 Shirley Road
Southampton
Hampshire
SO15 3HR**

**Abraham & Dobell
Chartered Accountants**

28 September 2006

**EUROPE TO EUROPE
(LIMITED BY GUARANTEE)**

STATEMENT OF FINANCIAL ACTIVITIES

**FOR THE YEAR ENDED
30 NOVEMBER 2005**

		Unrestricted Funds	
	Notes	2005 £	2004 £
INCOMING RESOURCES			
Voluntary			
Donations	2	10,484	8,329
Investment Income			
Bank interest		138	165
		<hr/>	<hr/>
TOTAL INCOMING RESOURCES		10,622	8,494
		<hr/>	<hr/>
RESOURCES EXPENDED			
Charitable Expenditure			
Grants payable	3	8,742	9,120
Management and administration	3	2,506	4,278
		<hr/>	<hr/>
TOTAL RESOURCES EXPENDED		11,248	13,398
		<hr/>	<hr/>
NET (OUTGOING) RESOURCES FOR THE YEAR		(626)	(4,904)
		<hr/>	<hr/>
NET MOVEMENT IN FUNDS		(626)	(4,904)
TOTAL FUNDS AT 1 DECEMBER 2004		6,515	11,419
		<hr/>	<hr/>
TOTAL FUNDS AT 30 NOVEMBER 2005		£5,889	£6,515
		<hr/>	<hr/>

The company has no recognized gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

The notes on pages 9 to 11 form part of the Financial Statements

**EUROPE TO EUROPE
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BALANCE SHEET

AS AT 30 NOVEMBER 2005

		2005		2004	
FIXED ASSETS	Notes	£	£	£	£
Tangible assets	5		1		1
CURRENT ASSETS					
Cash at bank and in hand		7,238		8,514	
CREDITORS: Amounts falling due within one year	6	1,350		2,000	
		<hr/>		<hr/>	
NET CURRENT ASSETS			5,888		6,514
			<hr/>		<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			£5,889		£6,515
			<hr/>		<hr/>
FUNDS					
Unrestricted funds			5,889		6,515
			<hr/>		<hr/>
TOTAL FUNDS			£5,889		£6,515
			<hr/>		<hr/>

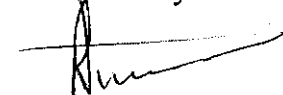
The director is satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the Financial Statements for the year by virtue of section 249A(1) and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The director acknowledges his responsibility for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act; and
- (ii) preparing Financial Statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to Financial Statements, so far as applicable to the company.

These Financial Statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These Financial Statements were approved by the directors on 28 September 2006 and are signed on their behalf by:



.....

The notes on pages 9 to 11 form part of the Financial Statements

**EUROPE TO EUROPE
(LIMITED BY GUARANTEE)**

NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 NOVEMBER 2005**

1. ACCOUNTING POLICIES

(a) Basis of Accounting

The Financial Statements have been prepared under the historical cost convention and follow the recommendations in Accounting and Reporting by Charities Statement of Recommended Practice issued in October 2000.

(b) Cash Flow Statement

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

(c) Depreciation

Depreciation is calculated so as to write-off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Equipment	25% of cost
-----------	-------------

(d) Voluntary Income

Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable.

(e) Resources Expended

Resources expended are recognised in the period in which they are incurred.

(f) Unrestricted Funds

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity, without further specified purpose and are available as general funds.

2. DONATIONS

	2005 £	2004 £
General donations and gifts	£10,484	£8,329
	<hr/>	<hr/>

**EUROPE TO EUROPE
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

**FOR THE YEAR ENDED
30 NOVEMBER 2005**

3. TOTAL RESOURCES EXPENDED

	2005	2004
	£	£
Grants Payable		
Grants payable to sister organisation in Romania	6,500	8,894
Other donations and payments	2,242	226
	<hr/>	<hr/>
	£8,742	£9,120
	<hr/>	<hr/>
Management and Administration		
Accountancy	(650)	400
Depreciation	-	-
Staff costs	-	-
General administration costs	3,156	3,878
	<hr/>	<hr/>
	£2,506	£4,278
	<hr/>	<hr/>

No staff costs were paid in the year to 30 November 2005.

No Committee Members received any payments in the year.

4. TAXATION

The charitable company is exempt from Corporation Tax on its charitable activities.

**EUROPE TO EUROPE
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

**FOR THE YEAR ENDED
30 NOVEMBER 2005**

5. TANGIBLE FIXED ASSETS

	Equipment
Cost	£
At 1 December 2004	720
	—
At 30 November 2005	720
	—
Depreciation	
At 1 December 2004	719
	—
At 30 November 2005	719
	—
Net Book Values	
At 30 November 2005	£1
	—
At 30 November 2004	£1
	—

6. CREDITORS: Amounts falling due within one year

	2005	2004
	£	£
Accruals and deferred income	£1,350	£2,000
	—	—

7. COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee. The guarantee from each individual member is restricted to a maximum of £1.