

Company Number: 2652481

**FRIENDS OF CHILDREN IN ROMANIA
(LIMITED BY GUARANTEE)**

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2021

Charity Number : 1006753

**FRIENDS OF CHILDREN IN ROMANIA
(LIMITED BY GUARANTEE)**

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**FRIENDS OF CHILDREN IN ROMANIA
(LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION**

**Directors, Trustees and
Council of Management**

Brigadier M J Evans (Retired 13 January 2021)
Ms S Gibson
The Reverend Canon M J Lane
Miss Paula Wright (Appointed 15 January 2021)

During the year the following officer retired by rotation and
was re-elected -
The Reverend Canon M J Lane

Charity Name

Friends of Children in Romania

Charity Registration Number

1006753

Company Registration Number

2652481

Registered Office

The Vicarage
Bosham Lane
Bosham
Chichester
PO18 8HX

Independent Examiner

Mrs Charlotte Pexton
5 Tuffs Hard
Bosham Hoe
Bosham
PO18 8ET

The day to day running of the project is delegated to a Manager in Romania, Mrs Beatrix Grigoras

Bankers

National Westminster Bank
22 East Street
Bridport
Dorset
DT6 3LG

**FRIENDS OF CHILDREN IN ROMANIA
(LIMITED BY GUARANTEE)**

COUNCIL OF MANagements REPORT

The Council of Management present their report and the accounts for the year ended 31 October 2021.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (2019).

Structure, Governance and Management

The company is a registered charity, limited by guarantee. New directors are suggested by the Council of Management members. Their suitability is considered by the Council and then appointed. Any briefing of future directors is the responsibility of Council members.

Risk Management Statement

The directors have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems are in place to mitigate any exposure to the major risks.

Principal Activities and Objectives

The charity applies income arising from donations for the charitable purposes of relieving poverty and sickness, advancing education and preserving health among children and adults of Romania. During the year the charity continued to fund the children's homes and lives. The directors confirm that they have had due regard to the Charity Commission's guidance on public benefit and are satisfied that their aims and achievements stated below meet these requirements.

Achievements and Performance

The directors and trustees note with sadness the death of Brigadier Michael Evans. He was a great support to the charity from the beginning and his commitment unwavering to the very end of his life. We are pleased to welcome Miss Paula Wright to the Board.

The homes in Harja continue to be safe happy places where the children are able to thrive. During the year two older children left the project. We welcomed a new child in May during the year who has settled in well and has integrated into the project and local school with ease and enthusiasm. During the summer the younger children enjoyed a holiday at the seaside, two of the older children attending a summer camp. Three children also took part in the Erasmus Ecology Youth Project hosted in Harja. The older children also enjoyed a holiday in the Carpathian mountains. The houses and vehicles have been maintained throughout the year and the project manager, Betty Grigoras, continues to provide excellent leadership, supported by a committed staff team including the Social Assistant Razvan Lungu.

**FRIENDS OF CHILDREN IN ROMANIA
(LIMITED BY GUARANTEE)**

**COUNCIL OF MANAGERMENTS REPORT
(CONTINUED)**

Financial Review

The covid pandemic has continued to impact upon the charity's ability to generate new streams of income in order to support its ongoing aims and objectives. The value of investments during the year increased. Notwithstanding, £52,000 was needed from the reserves in order to fund the day to day activities, this has resulted in an overall deficit of £10,138. This financial intervention is in accordance with our reserves policy

The charity will need to draw on its reserves in the short term in order to maintain its day to day objectives. The directors and trustees are continuing to promote the objectives of the charity in order to attract further funding from both individuals and organisations.

Reserves Policy

The reserve fund represents the unrestricted funds arising from past operating results. The charity retains the general reserve in order to provide sufficient resources to enable the charity to continue to fund its activities. The level of reserves is monitored and reviewed by the directors each year.

Council of Management

The council members who served during the year are detailed on page 1. In accordance with the Articles of Association the member of the council retiring by rotation is The Revd. Canon Martin Lane, who being eligible, offers himself for re-election.

The council members of the charitable company are its Directors and Trustees for the purpose of Company and Charity Law.

Plans for Future Periods

The Council of Management is determined to ensure that the children in our care continue to receive the love and support akin to a normal family setting.

The Council continues to explore further funding streams to meet its objectives and day to day operational costs.

**FRIENDS OF CHILDREN IN ROMANIA
(LIMITED BY GUARANTEE)**

**COUNCIL OF MANAGERMENTS REPORT
(CONTINUED)**

Statement of the Directors' Responsibilities

The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

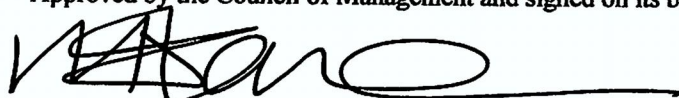
Company law requires the trustees to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair state of affairs of the charitable company and the net income or expenditure of the charitable company for that period. In preparing those financial statements, the directors are required to;

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume the charity will continue in business,

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enables them to ensure that the financial statements comply with Companies Act 2006. The directors are also responsible for safeguarding the assets of the charity and hence for taking the reasonable steps for the detection of fraud and other irregularities.

This report has been prepared in accordance with the Charities SORP (FRS 102) and in accordance with the special provisions for small companies under part 15 of the Companies Act 2006.

Approved by the Council of Management and signed on its behalf on 13 June 2022



The Revd Canon M J Lane
Director, Trustee and Council Member

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

ON THE UNAUDITED FINANCIAL STATEMENTS OF FRIENDS OF CHILDREN IN ROMANIA (LIMITED BY GUARANTEE)

I report on the accounts of the Friends of Children in Romania for the year ended 31 October 2021 which are set out on pages 6 to 9.

Respective Responsibilities of Trustees and Examiner

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:

R. Charlotte Pexton

Mrs Charlotte Pexton
5 Tuffs Hard, Bosham Hoe, Bosham PO18 8ET

Date:

19 June 2022.

**FRIENDS OF CHILDREN IN ROMANIA
(LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 OCTOBER 2021**

	£	2021 Unrestricted Funds £	£	2020 Unrestricted Funds £
Income from:-				
Donations and legacies		85,690		79,121
Investment income - Accumulation units		2,239		4,864
- Interest received		2,087		2,400
Total		90,016		86,385
 Expenditure on:-				
Raising funds		-		-
Charitable activities				
House running costs	129,130		130,475	
Team Costs	11,430		12,386	
Bank charges	3		445	
Total		140,563		143,306
Net expenditure		(50,547)		(56,921)
 Net gains/(losses) on investments		40,409		(36,064)
Net movement in funds		(10,138)		(92,985)
 Reconciliation of funds				
Total funds brought forward		209,929		302,914
Total funds carried forward		199,791		209,929

**FRIENDS OF CHILDREN IN ROMANIA
(LIMITED BY GUARANTEE)**

BALANCE SHEET AS AT 31 OCTOBER 2021

	Notes	2021 £	2020 £
Current assets			
Cash at bank and in hand		396	1,182
Investments	2	199,395	208,747
Total current assets		<u>199,791</u>	<u>209,929</u>
Liabilities			
Creditors amounts falling due within one year		-	-
Net assets		<u>199,791</u>	<u>209,929</u>
The funds of the charity			
Unrestricted funds		<u>199,791</u>	<u>209,929</u>

For the year ending 31 October 2021 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Council of Management and signed on its behalf on 13 June 2022



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Revd. Canon M J Lane
Director, Trustee and Council Member

**FRIENDS OF CHILDREN IN ROMANIA
(LIMITED BY GUARANTEE)**

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

1) **Accounting policies**

(a) **Basis of accounting**

The financial statements have been prepared under the historical cost convention as modified to include investments at valuation, and in accordance with the second edition of the Charities: Statement of Recommended Practice (issued in October 2019) , the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Companies Act 2006.

Friends of Children in Romania meets the definition of a public benefit entity under FRS 102

(b) **Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

(c) **Income and expenditure**

Income

All of the income relates to the principal activity and is therefore deemed to be unrestricted. Income is recognised when the charity has entitlement to funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Legacies are recognised when the charity is advised by the personal representatives of an estate that probate has been granted, that payment is probable and the amount can be quantified with reasonable certainty.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measure reliably. Expenditure includes irrecoverable VAT. Where possible expenditure has been charged direct to charitable expenditure. Where this is not possible the expenditure has been allocated on the basis time spent by staff on each activity. Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and have been charged to charitable expenditure.

**FRIENDS OF CHILDREN IN ROMANIA
(LIMITED BY GUARANTEE)
(ANNUAL REPORT AND FINANCIAL STATEMENTS)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2021
(CONTINUED)**

1) **Accounting policies (continued)**

(d) **Tangible fixed assets**

Individual fixed assets costing £1,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

Asset Category	Annual rate
Plant & Equipment	25%

2) Investments	2021	2020
	£	£
Market value at 31 October 2020	208,747	299,947
Add: Dividends on accumulation fund units	2,239	4,864
Purchased, at cost	-	-
Less sales proceeds	(52,000)	(60,000)
Gain/(Loss) in year	40,409	(36,064)
Market value at 31 October 2021	<u>199,395</u>	<u>208,747</u>
Historical cost at 31 October 2021	<u>137,140</u>	<u>165,100</u>
The breakdown of the portfolio is as follows:		
Charities Aid Foundation - Fixed Interest Fund B Income	72,432	73,663
UK Equity Fund B Accumulation	126,717	134,945
Santander - Ordinary Shares	246	139
	<u>199,395</u>	<u>208,747</u>

3) **Trustee expenses and remuneration**

None of the council members received remuneration or reimbursed expenses for their services during the period.

4) **Legal status**

The Charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.