

Charity Registration No. 1011397

**THE ROMANIAN CHALLENGE APPEAL
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

THE ROMANIAN CHALLENGE APPEAL

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr Nigel. J Squibb Ms Sally. E Solomon Ms Anna Hamlet Mr B Woolford Mr M M Mainwood	(Appointed 10 March 2022)
Charity number	1011397	
Principal address	Avon Business Centre 435 Stratford Road Shirley Solihull West Midlands B90 4AA	
Independent Examiner	Jerroms Lumaneri House Blythe Gate Blythe Valley Park Solihull West Midlands B90 8AH	
Bankers	Lloyds TSB Bank plc 9-11 Poplar Road Solihull West Midlands B91 3AN National Westminster Bank PLC 1 St Philips Place Birmingham West Midlands B3 2PP	

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THE ROMANIAN CHALLENGE APPEAL

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 JUNE 2022

The Trustees present their report and accounts for the year ended 30 June 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's [governing document], the Charities Act 2011 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)" (effective 1 January 2019).

Objectives and activities

The Charity was founded in 1991 to work towards the relief of poverty and mental or physical sickness amongst people in Romania and in particular the children by all charitable means including the provision of medical assistance and education. It established the independent Romanian humanitarian foundation O Nouă Viață (ONV) in 1997 to work with the Romanian state and has strong representation on its management committee. RCA has for many years had the goal of supporting and guiding the work of ONV, rather than direct intervention by a foreign charitable organisation, and since the early 2000s, all funds raised by RCA have been donated to ONV.

Of particular note this year has been the war in the Ukraine, as the ONV office in Siret is less than 2Km from the largest Romanian - Ukrainian border crossing. After ensuring that refugee support was consistent with the aims of the charity as well as lying within the permitted activities of ONV, we gave immediate assistance to many people fleeing across the border, including using our premises as a dormitory, help with onward travel, food and provision of hygiene products. ONV continues to send regular aid vans into the Ukraine and provides longer term support.

We also raised monies via the charity website to assist with these activities.

More generally, the charity ceased fundraising within the UK in 2015. It now manages regular donors and legacy income, and provides practical assistance (non financial) to regular donors who wish to travel to Romania to see the effects of their donations. It continues support of ONV as funding is available, primarily as support of more speculative activities (e.g fundraising events in Romania) together with on-going mentoring members of the ONV committee, who have similar responsibilities to charity trustees in the UK. We will continue working on fundraising strategies and campaigns with ONV. We will operate within the UK for the lowest possible cost. We will continue promoting the goals set out in 1991 when the charity was formed. The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake, particularly in regard to aid for the Ukraine.

Plans for Next Year 2022 - 2023

To:

We will continue support of ONV as funding is available, primarily as support of more speculative activities (e.g fundraising events in Romania) together with on-going mentoring members of the ONV committee, who have similar responsibilities to charity trustees in the UK.

We will continue working on fundraising strategies and campaigns with ONV.

We will operate within the UK for the lowest possible cost.

We will continue promoting the goals set out in 1991 when the charity was formed.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

THE ROMANIAN CHALLENGE APPEAL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

Achievements and performance

After many years of operation, the old Romanian Challenge website was discontinued, and its function was absorbed by a separate section within the main ONV website, which is a modern, professionally designed bilingual site. Browsers looking at www.romanian-challenge.org are automatically redirected to this section.

As a significant cost cutting measure, the physical office within a serviced office block in Shirley was closed and the charity has contracted with the office company to provide telephone answering and mail forwarding services only. Outdated and irrelevant documents were shredded, and much old IT equipment was disposed of, with the remaining paper files now being stored by the trustees.

The charity intended to make fundraising in Romania a priority for 2022, this has been badly affected by the war in the Ukraine, and the need for ONV staff to provide emergency assistance.

Financial review

It is the policy of the Charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The Trustees have the powers to invest as they see fit and they also have the power to appoint investment managers. At the present time there are no investments held by or on behalf of the Charity.

The Trustees have assessed the major risks to which the Charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The charity was established by a charitable trust deed dated 22 May 1992.

The Trustees who served during the year and up to the date of signature of the financial statements were:

Mr Nigel. J Squibb

Ms Sally. E Solomon

Ms Anna Hamlet

Mr B Woolford

Mr M M Mainwood

(Appointed 10 March 2022)

Recruitment and appointing of new Trustees is governed by a policy laid down by the Trustees and is available for inspection.

THE ROMANIAN CHALLENGE APPEAL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Trade creditors of the company at the year end were equivalent to 8 day's purchases, based on the average daily amount invoiced by suppliers during the year.

The Trustees' report was approved by the Board of Trustees.

Mr Nigel. J Squibb

Trustee

Dated: 31 October 2022

Handwritten signature: N J Squibb

THE ROMANIAN CHALLENGE APPEAL

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE ROMANIAN CHALLENGE APPEAL

We report on the accounts of the Charity for the year ended 30 June 2022, which are set out on pages 4 to 10.

Respective responsibilities of Trustees and examiner

The Charity's Trustees are responsible for the preparation of the financial statements. The charity's Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is our responsibility to:

- (i) examine the financial statements under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

Basis of independent examiner's report

Our examination was carried out in accordance with the general Directions given by the Charity Commission. 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 trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

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

- (a) which gives us reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 130 of the 2011 Act; and
 - (ii) to prepare financial statements which accord with the accounting records and comply with the accounting requirements of the 2011 Act;have not been met or
- (b) to which, in our opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Jermans

Chartered Certified Accountants
Lumaneri House
Blythe Gate
Blythe Valley Park
Solihull
West Midlands
B90 8AH

Dated: 31 October 2022

THE ROMANIAN CHALLENGE APPEAL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2022

		Unrestricted funds 2022 £	Unrestricted funds 2021 £
	Notes		
<u>Income and endowments from:</u>			
Donations and legacies	3	34,981	16,011
Other income	4	5,402	2,656
Total income		<u>40,383</u>	<u>18,667</u>
<u>Expenditure on:</u>			
Charitable activities	5	<u>21,153</u>	<u>24,214</u>
Net income/(expenditure) for the year/ Net movement in funds		19,230	(5,547)
Fund balances at 1 July 2021		<u>61,426</u>	<u>66,973</u>
Fund balances at 30 June 2022		<u><u>80,656</u></u>	<u><u>61,426</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

THE ROMANIAN CHALLENGE APPEAL

BALANCE SHEET

AS AT 30 JUNE 2022

	Notes	2022 £	£	2021 £	£
Current assets					
Debtors	8	1,168		3,546	
Cash at bank and in hand		81,389		59,750	
		<u>82,557</u>		<u>63,296</u>	
Creditors: amounts falling due within one year	9	<u>(1,901)</u>		<u>(1,870)</u>	
Net current assets			<u>80,656</u>		<u>61,426</u>
Income funds					
Unrestricted funds			<u>80,656</u>		<u>61,426</u>
			<u>80,656</u>		<u>61,426</u>

The financial statements were approved by the Trustees on 31 October 2022

Mr Nigel. J Squibb
Trustee

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THE ROMANIAN CHALLENGE APPEAL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies

Charity Information

The Romanian Challenge Appeal is an unincorporated charity. Its principal address is Avon House, 435 Stratford Road, Shirley, Solihull, West Midlands, B90 4AA.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's [governing document], the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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)" (effective 1 January 2019). The Charity is a Public Benefit Entity as defined by FRS 102.

The Charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Charity.

1.4 Incoming resources

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies to which the charity is entitled are included in the statement of financial activities unless they are incapable of measurement.

THE ROMANIAN CHALLENGE APPEAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the charity.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	33% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial Instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

THE ROMANIAN CHALLENGE APPEAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

1.9 Foreign exchange

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction.

2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	2022	2021
	£	£
Donations and gifts	17,091	4,807
Legacies receivable	-	1,197
Sponsor funds	17,890	10,007
	<u>34,981</u>	<u>16,011</u>

THE ROMANIAN CHALLENGE APPEAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

4 Other income

	2022	2021
	£	£
Gift Aid	5,402	2,656

5 Charitable activities

	2022	2021
	£	£
Insurance	477	494
Donations to O'Noua Viata	8,637	11,282
Telephone and fax	193	279
Travelling	1,229	415
Office assistant	1,820	1,440
Bookkeeping expense	3,600	3,600
Accountancy	1,440	1,380
Bank charges	7	13
Office and stationery	575	-
Rent and rates	3,107	4,752
Exchange rate loss/(gain)	(52)	493
Depreciation	-	66
Other charitable expenditure	120	-
	21,153	24,214
	21,153	24,214

Payments to O'Noua Viata (a charitable foundation, established in Romania) consists of general charitable purposes costs.

6 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year.

7 Employees

There were no employees during the year.

THE ROMANIAN CHALLENGE APPEAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

8 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	-	520
Other debtors	849	2,656
Prepayments and accrued income	319	370
	<u>1,168</u>	<u>3,546</u>

9 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	450	420
Accruals and deferred income	1,451	1,450
	<u>1,901</u>	<u>1,870</u>

10 Control

There is no ultimate controlling party.

11 Related party transactions

Transactions with related parties

During the year the Charity entered into the following transactions with related parties:

Romanian Challenge Appeal has set up a Romanian charity called O Noua Viata (A NEW LIFE) and now work closely with local government and the Romanian Child Protection Department. The aim is to provide training to local Romanians to run O Noua Viata and organising fundings from within Romania so that one day the charity will run independently of International aid. During the year £8,637 (2021 - 11,282) was spent on general charitable purposes for O Noua Viata.