

CHILDREN IN CRISIS

REPORT AND FINANCIAL STATEMENTS

for the Year ended 31 March 2023

Charity Registration No. 1020488

Company Registration No. 2815817 (England and Wales)

CHILDREN IN CRISIS

TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2023

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CHILDREN IN CRISIS

TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2023

COMPANY INFORMATION

Trustees	Street Child Anthony Wallersteiner
Charity number	1020488
Company number	2815817
Registered office & principal address	33 Creechurch Lane London EC3A 5EB
Auditors	Moore Kingston Smith LLP Chartered Accountants 9 Appold Street London EC2A 2AP
Bankers	Coutts and Company 440 Strand London WC2R 0QS

TRUSTEES' REPORT

Who we are

Children in Crisis focuses on education and child protection in countries affected by conflict. This is because education is always an expressed priority of people in need, as well as delivering multiple benefits to the individual, to the community and to wider society. Quality education is of intrinsic value to an individual's development as an autonomous, unique person: it provides the capabilities and skills to shape and pursue life goals, whatever these may be; it provides life-saving knowledge, for example in respect to avoiding risks from disease; it increases individual incomes and employment prospects; it builds community cohesion and peace in countries suffering conflict; and it supports national, social and economic development. To gain access to education or to benefit from it, children must be safe and secure, and protected from harm or abuse. Child protection is therefore key.

On 1 April 2018 Children in Crisis joined the Street Child group. Street Child exists to make the largest difference possible in the lives and to the educational prospects of the world's poorest and most marginalised children. The acquisition notably expanded the group's impact into Afghanistan and the Democratic Republic of Congo, which have been Children in Crisis' flagship operations in recent years. Children in Crisis remains a live entity in the Street Child group, not only to honour its history and achievements, but also to recognise this is how its supporters first connected with the work for children that we now do together.

What we do

Children in Crisis aims to achieve its objects by improving the education and protection provided to children, especially girls and marginalised groups such as children with disability, to enhance their lives. The measurement of our impacts is through a rigorous monitoring, evaluation and learning process, involving clear definition of goals, outputs, outcomes and indicators at the start of each programme. We carry out both internal and independent evaluations and use participatory, qualitative and quantitative methods.

Public Benefit Statement

The objects of the charity are the relief of hardship, distress and sickness of persons in need, particularly children, in any part of the world, and are governed by its Memorandum and Articles of Association. These remain unchanged following the acquisition by Street Child.

PROGRAMMES

Children in Crisis' programmes now fit into the wider Street Child group portfolio and have made distinctive contributions to group's development and trajectory.

Children in Crisis remains highly active in projects in Afghanistan and has seen an increase in its programme activities since the transfer of control of the Afghan government to the Taliban in August 2021.

Afghanistan

2022 witnessed further restrictions on the right of women and girls in Afghanistan, firstly with the De-Facto authorities banning girls education beyond the sixth grade in March 2022, and then banning female Afghan staff from working for non-governmental organisations in December 2022. These measures have had an adverse impact on the provision of quality and equitable education in the country. Despite these significant challenges, CiC continued to deliver large scale, life saving and life sustaining interventions in Badakshan, Baglan, Bamyan, Balkh, Daikundi, Faryab, Herat, Kabul, Kandahar, Logar, Nimroz, Uruzgan, Wardak, and Zabul provinces.

Through our established Education in Emergencies programming, we provided over 58,000 children with education every single day, with over 50% of these being girls, including in remote locations where it is often the first time they have had access to education.

CiC also provided child protection services across 11 provinces to over 56,000 children (42% girls). This included case management services for 6,225 children; essential mental health support to 18,644 children who have suffered severe mental trauma; awareness on child protection, sexual exploitation, child abuse and child labour to 19,285; distributing food packages, interim care or hygiene kits to 11,747 unaccompanied and separated children; and supporting 261 boys and 135 girls with family tracing and re-unification services, reuniting children with their families.

Children in Crisis continues to work tirelessly across Afghanistan to deliver urgent humanitarian aid, as well as ensure access to safe, quality education and protection services. From April 2022 to March 2023 reached more than 146,000 individuals across Afghanistan.

Delivering accessible and quality education

Children in Crisis ran 1,850 classes across 7 provinces in the year, achieving gender parity across our classes; girls make up over 50% of the students we reach, despite a hugely challenging environment for girls' education in Afghanistan. In many areas in Afghanistan, Street Child is the only organisation operating community-education centres – helping boys and girls with lifesaving, life-sustaining skills, and access to life-changing learning.

In addition to running crucial primary education classes at scale, we are proud of the quality of our education programme. The end-line evaluation reports of the ongoing Multi-Year Resilience Programme as well as the Global Partnership for Education project completed in 2022, demonstrate the capacity of CIC and its partners to ensure equitable and quality education at

scale. For example 60-75% of learners in Uruzgan and Zabul provinces demonstrated desirable reading fluency rates based on nationally set fluency benchmarks, scoring above the sector average.

In addition to direct education service delivery in the above-mentioned provinces, CIC, in partnership with AOAD and ECI, has initiated a capacity strengthening intervention with INGOs and NNGOs responsible for implementation of the 2023 MYRP project in 15 provinces of Afghanistan, build their capacities in disability inclusion. Through training and coaching, CIC aims to ensure that more than 10,000 children with disabilities across 15 provinces of Afghanistan are safe, in school and learning all the while ensuring that the implementing partners gain the capacity to embed inclusion into future education programmes thereby building the resilience of the education system.

In response to the ban on girls education, CIC has established a partnership with Cambridge Partnership for Education and SADA to pilot a new modality of provision of education: Open Distance Learning (ODL), where children will be able to continue to learn from home where access to formal education is prohibitive.

Expanding Food Security Programming

Since the change in power in 2021 the Afghan economy had contracted by 25% and with a poor economic outlook, the most marginalised communities have borne the brunt of the crisis. Building on our Food Security and Agriculture programming, in 2022 we provided 1,560 multiple shock affected, severely and acute food insecure households (10,922 individuals) with essential cash assistance in Wardak province, supporting these families to mitigate the impact of economic shocks and reduce negative coping behaviour that impacts children. CIC also provided 1,500 households in Balkh province with poultry packages and basic farming training. This reached an estimated 10,500 children and their families, with 60% female participation, supporting the most vulnerable families during the lean season following a tough winter.

Advocacy

Children in Crisis advocates around three core areas, centring on increasing focus, funding, and future proofing towards:

- (1) Localisation – putting local level actors at the heart of every response
- (2) Education in emergencies – as education is deprioritised during times of crises
- (3) Marginalised groups – ensuring the rights and inclusion of marginalised groups in all response, accounting for multiple modes of marginalisation, from gender to geography, ability and poverty.

In 2022-23, our advocacy has focused mainly on the rights of women and girls. Together with other INGOs and NGOs we have continued to advocate the De-Facto Authorities for women and girls to pursue secondary and tertiary education. We have also advocated to reverse the ban on female humanitarian workers, so that they are allowed to return to work and resume the provision of life-saving aid.

In the education space, CIC and its partner KHANA have formed an alliance to ensure assessment-informed advocacy and accountability. Under the South Asia Assessment Alliance project, we

build the capacity of alliance partners on advocacy and instructional accountability. This includes building the capacity of stakeholders to conduct citizen-led assessments and voluntary national reviews to gauge the status of education outcomes, making small but sustainable gains in building relationships of accountability among education stakeholders at the system level.

FUNDRAISING

Children in Crisis fundraising activity is fully integrated with Street Child as a group and did not hold any fundraising events in its own name in 2022/23. The majority of Children in Crisis Unrestricted income came via its regular donors who give each month directly to the charity and for whom we remain incredibly grateful. Children in Crisis also benefitted from some generous Trusts and Foundations grants.

TRUSTEE RESPONSIBILITIES

How we manage our affairs

Children in Crisis is a charitable company limited by guarantee, incorporated and registered in England and Wales under company number 2815817 and charity number 1020488.

Children in Crisis is governed as part of the Street Child group. The Street Child group Board meets at least four times a year and is responsible for the overall direction of the Charity and for core strategic policies, having regard to the advice of the Chief Executive. The Trustees delegate the day-to-day running of the charity to the Chief Executive.

Recruitment and appointment of Trustees

Appointment of Trustees is carried out having regard to the needs of the organisation, the suitability and skills of the candidate and by interview with interested parties.

Induction and training of new Trustees

We make new Trustees aware of their legal obligations under charity law and company law. New Trustees are given the required training to enable them to undertake their roles and to ensure that they act in the best interests of the charity. When they are appointed, they receive briefing and background information about the charity from senior management, including governance, finance and current strategies and plans. All Trustees have the opportunity to see our programmes at their own expense.

Fundraising standards and our approach to fundraising

Street Child group employs a team of professional fundraisers, all of whom follow the best practice and legal requirements set out in The Code of Fundraising Practice, as well as those required under charity law and wider law. There was no reported failure to comply with The Code of Fundraising Practice. During the year there were no fundraising complaints (2022: none). Outside of the team of professional fundraisers, Street Child's volunteer fundraisers were all provided with relevant training or guidance notes including, where relevant, links to the necessary legal and best practices from the

Institute of Fundraising. Agreed fundraising targets were monitored through reports provided by our online giving platforms and through regular communication and mentoring of volunteer fundraisers.

Street Child group commercial partners are all subject to agreeing a Commercial Participator's Agreement that sets out the terms of the partnership including, but not limited to, payment plans, use of brand, inclusions/exclusions of the partnership and use of the agreed fundraising statement. Our data protection statement and marketing opt-ins were reviewed and updated to ensure only appropriate and relevant communications were sent to those supporters who had requested said information. Our electronic communications platform also offers the opportunity to opt out at every stage of mass communication.

Street Child's policy has never been to buy or sell supporter data or mailing lists. Our approach is to engage and inspire supporters through our events, through social media and other communications platforms and by our work.

FINANCES

Review of 2022/23 financial position and fundraising activities

During the 2022/23 financial year, Children in Crisis raised £3,644,801 (2021/22: £2,736,739) of income and spent £4,243,835 (2021/22: £2,777,468). This resulted in a net loss for the year, after losses on investments, of £599,387 (in 2021/22 a net loss for the year after gains on investments of £39,503). The increase in income compared to the prior year was mainly due to increased contracts for operational programmes in Afghanistan, specifically from UN OCHA, UNICEF and Save the Children.

In accordance with the Charity SORP, support costs have been allocated between charitable activities and fundraising. Children in Crisis spent 99.8% (2022/23: 99.5%) of its total expenditure on charitable activities and 0.2% (2021/22: 0.5%) on fundraising. This reflects the fact the Children in Crisis does not undertake any fundraising directly in its own name and incurs only the costs involved in collecting income from regular donors.

Children in Crisis unrestricted funds at 31 March 2023 were £331,728 (2021/22: £228,053).
Children in Crisis restricted funds at 31 March 2023 were £(359,800) (2021/22: £343,262).

Reserves Policy

Children in Crisis reserves contribute positively to Street Child group reserves and reserves are assessed at both the whole group and individual charity levels.

For Children in Crisis as a separate entity the reserves policy is to hold running costs of three months of running costs. At the date of signing the accounts Children in Crisis had no employees. Running costs are mainly for direct fundraising and administration and lead to a target level of unrestricted reserves of £6k. At £332k the charity unrestricted reserves are above the target level. Also, for the Street Child Group, reserves overall are on target and comfortably above the minimum target range.

Street Child Group's reserves policy is to maintain reserves within a range set with reference to key risks, and calibrated against the level of reserves that would be required to fund three to six months of operating costs.

The largest two risks facing Street Child are a fall or under-performance in Unrestricted income, and/or the need to use Unrestricted funds to cover Restricted Programme costs, for instance because of cost disallowed by the funders.

This quantification of reserves will be carried out on an annual basis as part of the budget setting process which concludes in March each year. At this stage the Trustees will consider if any of the major risks have changed, and also the quantification of the reserves in line with the budget.

For Street Child Group the reserves target is £0.75m to £1.5m, with a mid-range target of £1.1m. Street Child Group unrestricted reserves at 31 March 2023 of £1.1m (2022: £1.2m) were in line the mid-range target.

Risk Management and internal control

The Street Child Trustees are fully aware of the need to assess the risks faced by the charitable group and to minimise those risks. They have conducted a comprehensive process to identify, assess and manage risks, with all risks being scored for likelihood and impact and management strategies and timelines being established. Changes to the risk register are reviewed by the Finance Committee each quarter and provided to each Board meeting (also quarterly) with a full review at the Board undertaken at least annually to assess all risk factors identified in the risk register and ensure that all Trustees are fully abreast of the risk situation in the organisation.

In addition to the risk register, each country holds a register for all large projects, which have their own risk registers that are used by project management teams to make operational decisions. All fundraising events have their own risk registers.

While no system of internal control can provide absolute assurance against material misstatement or loss, Street Child Group's systems have been developed to provide assurance to the Board that there are proper procedures in place and that they are operating effectively.

Key elements of the system of risk management and internal control include:

- Delegation: there is a clear organisational Scheme of Delegation with lines of authority and responsibility for control
- A clear, comprehensive documented suite of financial procedures and accessible to all staff. These are updated and revised from time to time as required.
- Financial reporting: the Board approves and monitors the annual budget. Each quarter an update is provided to the Finance Committee and the Board with an update of actual results compared to budget, and the latest forecast for the year along with explanations of significant variations. The Finance committee reviews the reports in detail, minutes from this Committee's meeting are presented to the Board.
- Programme reporting: regular updates are provided to the Chief Executive from the Country leads. These are reviewed to ensure that the programmes are progressing as planned and to

identify any issues which are followed up as necessary. Written quarterly updates are provided to the Board along with any issues, risks or opportunities.

The principal risks and uncertainties facing the charitable group, as identified by the Trustees of Street Child include the following:

- Unrestricted Income being insufficient to support institutional restricted funding or pursuing opportunities for investment. This is mitigated by careful monitoring of income compared to budget and forecast, and the pipeline income and by ensuring that costs are carefully managed.
- Unsatisfactory Programmes impact, or donors consider project impact to be unsatisfactory. We continue to invest in quality in-country programme and finance teams to ensure that we can meet donor requirements.

Investment Policy

Over and above achieving and maintaining the targeted levels of reserves, the charity's financial policy is to expend all funds secured either directly on charitable activities or on fundraising initiatives designed to increase income in subsequent periods. All funds are held in appropriate interest-bearing accounts.

Subsequent Events

No material events and transactions occurred subsequent to 31 March 2023.

Trustees/Directors

None of the Trustees has any beneficial interest in the company. All the Trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

Statement of the Board of Trustees' responsibilities for the financial statements

The Trustees, (who are also Directors of the charitable company for the purposes of company law), are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for the 12-month period of financial activities and not approve the financial statements unless they are satisfied that the financial statements give a true and fair view of the state of the affairs of the Charity as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the year then ended.

In preparing these financial statements which give a true and fair view, the Trustees are required to:

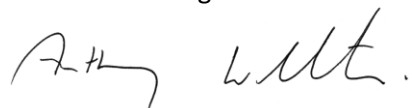
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charitable company will continue on that basis.

The Trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Each of the Directors, who held office at the date of approval of this Trustees' Report, has confirmed that there is no information of which they are aware which is relevant to the audit but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are made aware of such information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to smaller entities.



On behalf of the Board of Trustees:
Anthony Wallersteiner
Trustee

Date: 30th January 2024

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF CHILDREN IN CRISIS
FOR THE YEAR ENDING 31 MARCH 2023**

AUDITOR'S REPORT

Opinion

We have audited the financial statements of Children in Crisis ('the charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of financial statements section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF CHILDREN IN CRISIS
FOR THE YEAR ENDING 31 MARCH 2023**

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF CHILDREN IN CRISIS
FOR THE YEAR ENDING 31 MARCH 2023**

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, UK financial reporting standards as issued by the Financial Reporting Council and UK taxation legislation.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF CHILDREN IN CRISIS
FOR THE YEAR ENDING 31 MARCH 2023**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Neil Finlayson (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor
9 Appold Street
London
EC2A 2AP

Moore Kingston Smith LLP

Date: 30th January 2024

CHILDREN IN CRISIS

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Income					
<i>Donations</i>	2				
Legacies		9,879	-	9,879	91,516
Donations from individuals and corporates		179,437	33,601	213,039	199,216
Grants from Trusts and Foundations		5,802	170,009	175,811	118,189
<i>Income from Charitable Activities</i>					
Contracts for operational programmes	3	-	3,239,992	3,239,992	2,327,465
<i>Other Income</i>					
Other income		5,793	-	5,793	-
Investment income		287	-	287	353
Total income		201,198	3,443,603	3,644,801	2,736,739
Expenditure					
Fundraising costs	4	7,405	-	7,405	14,883
Charitable activities	5-7	89,765	4,146,665	4,236,430	2,762,585
Total operating expenditure		97,170	4,146,665	4,243,835	2,777,468
Net operating expenditure		104,028	(703,062)	(599,034)	(40,729)
Net Gains/(Losses) on investment assets	10	(353)	-	(353)	1,226
Transfer between funds		-	-	-	-
Net expenditure and net movement in funds		103,675	(703,062)	(599,387)	(39,503)
Reconciliation of funds					
Total funds brought forward	13	228,053	343,262	571,315	610,818
Total funds carried forward		331,728	(359,800)	(28,072)	571,315

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

All income and expenditure derive from continuing operations.

CHILDREN IN CRISIS

BALANCE SHEET FOR THE YEAR ENDED 31 MARCH 2023

	Notes	At 31 March 2023		At 31 March 2022	
		£	£	£	£
Fixed Assets					
Investments	10		8,002		8,355
			<u>8,002</u>		<u>8,355</u>
Current Assets					
Debtors	11	215,093		114,688	
Cash at bank and in hand		<u>268,251</u>		<u>682,389</u>	
		<u>483,344</u>		<u>797,076</u>	
Creditors: Amounts falling due within one year	12	(519,418)		(234,117)	
Net Current Assets			<u>(36,074)</u>		<u>562,959</u>
Total Assets less Current Liabilities			<u>(28,072)</u>		<u>571,315</u>
NET ASSETS			<u>(28,072)</u>		<u>571,315</u>
Funds					
Restricted funds	14		(359,800)		343,262
Unrestricted funds			331,728		228,053
Total Charity Funds			<u>(28,072)</u>		<u>571,315</u>

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

They were approved and authorised for issue by the trustees on 30th January 2024 and signed on their behalf by:



Anthony Wallersteiner

Chairman

Company registration number: 2815817

The accompanying notes form part of these financial statements

CHILDREN IN CRISIS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	2023 £	2022 £
Net cash Inflow/(Outflow) from operating activities	(414,425)	125,552
Net Cash Inflow from returns on investments		
Bank interest and investment income	287	352
Increase/(Decrease) in cash at bank and on hand	(414,138)	125,904
Cash balance at beginning of the year	682,389	556,485
Cash balance at end of the year	268,251	682,389

Reconciliation of net incoming resources to net cash inflow from charitable activities

Net expenditure	(599,387)	(39,503)
Bank interest and investment income	(287)	(352)
Investment Loss	353	(1,226)
(Increase)/Decrease in debtors	(100,405)	(49,226)
Increase/(Decrease) in creditors	285,301	215,859
Net cash Inflow/(Outflow) from operating activities	(414,425)	125,552

Analysis of cash and cash equivalents and net debt

	2023 £	2022 £
Cash in hand and at bank		
Opening balance	682,389	556,485
Cash-flows	(414,138)	125,904
Closing balance	268,251	682,389

CHILDREN IN CRISIS

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting Policies

Statutory Information

Children in Crisis is a charitable company limited by guarantee and is incorporated in United Kingdom. The registered office address is 33 Creechurch Lane, London, EC3A 5EB.

a) Basis of preparation

These financial statements are prepared under the historical cost convention, as modified by the revaluation of investments being measured at fair value through income and expenditure within the Statement of Financial Activities.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), including Update Bulletin 2. The Charitable Company is a public benefit entity for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP), the Companies Act 2006, and the Charities Act 2011.

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 one pound.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

b) Going concern

The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern.

The Trustees have made this assessment for a period of at least one year from the date of approval of the financial statements.

The charity entered the financial year 2022/23 with Unrestricted reserves of £228,053 and at 31 March 2023 had unrestricted reserves of £331,279. Total net liabilities are £28,073

In assessing whether Children in Crisis is a going concern, the Trustees have also considered the reserves of the Street Child charitable group, of which the charity is a wholly owned subsidiary. The trustees have considered the group forecasts and projections and have taken account of pressures on donation and grant income and cash flow for 12 months from the date of approval of the financial statements, the associated assumptions that under-pin it, the pipeline of new income and the steps that could be taken to reduce expenditure should this be necessary.

The Trustees are satisfied that the group has sufficient resources to continue in operational existence for the foreseeable future and has a loyal donor base and a significant grant pipeline. Annual budgets include prudent figures for both income and expenditure and the charity holds significant reserves and has liquid assets in the form of cash held in short term deposits.

The Trustees have concluded that with the reserves policy and cash liquidity requirements of the charity together with the commitment of support received from Street Child, the ultimate controlling party, there are no material uncertainties as to the charity's ability to continue in operational existence for the foreseeable future.

c) Income

All income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Legacies are recognised following probate and once there is sufficient evidence that receipt is probable and the amount of the legacy receivable can be measured reliably. Where entitlement to a legacy exists but there is uncertainty as to its receipt or the amount receivable, details are disclosed as a contingent asset until the criteria for income recognition are met.

d) Expenditure and irrecoverable VAT

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. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

e) Allocation of overhead and support costs

Overhead, support and governance costs are allocated between the cost of raising funds and charitable activities. Overhead, support and governance costs relating to charitable activities have been apportioned between activities.

f) Costs of raising funds

The costs of generating funds consist of investment management fees and the costs of raising funds including an apportionment of overhead, support and governance costs.

CHILDREN IN CRISIS

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE FINANCIAL STATEMENTS

g) Charitable activities

Charitable activities are for improving the lives of children and young people in situations of conflict and poverty. We do this by working to support children's education, learning and protection. Costs of charitable activities include grants payable and other costs directly associated with teacher training, school building, juvenile justice and an apportionment of overhead, support and governance costs.

h) Critical accounting estimates and areas of judgement

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

i) Depreciation

Tangible fixed assets costing more than £5,000 are capitalised. Depreciation is provided on tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful lives as follows:

Furniture and office equipment: Over 4 years

j) Investments

Investments are shown in the balance sheet at their market value. The market value of investments is determined by reference to stock exchange prices at the balance sheet date.

k) Funds

Unrestricted funds are funds which can be used in accordance with the charitable objects at the discretion of the Trustees. Within unrestricted funds are free reserves which are funds not earmarked for specific activities, designated funds which are funds earmarked by trustees for essential future spending and fixed asset funds which are funds represented by functional fixed assets.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. They are to be spent in their respective geographical locations and project activity. The aim and use of each fund is set out in the notes to the financial statements.

l) Gifts in kind

Gifts in kind donated to the charity for distribution are included in income only when distributed. Items are valued by the donor at the time of the gift.

m) 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.

n) Foreign exchange transactions

Transactions denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the dates of these transactions. Monetary assets and liabilities are denominated in foreign currencies at the balance sheet date and are translated at the rates ruling at that date. All exchange differences are taken to the Statement of Financial Activities.

o) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

p) Pensions

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

q) Legal status

The liability of each member in the event of winding up is limited to £10. Children in Crisis is the sole member of Children in Crisis Trading Limited, a Company Limited by Guarantee and registered with Companies House Number 02933347.

CHILDREN IN CRISIS

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 Donations and Legacies

	Unrestricted Funds £	Restricted Funds £	Total 2023 £
Legacies	9,879	-	9,879
Donations	179,437	33,601	213,039
Grants	5,802	170,010	175,812
	<u>195,118</u>	<u>203,611</u>	<u>398,730</u>

	Unrestricted Funds £	Restricted Funds £	Total 2022 £
Legacies	91,516	-	91,516
Donations	199,216	-	199,216
Grants	9,891	108,298	118,189
	<u>300,623</u>	<u>108,298</u>	<u>408,921</u>

3 Contracts for operational programmes

	2023 £	2022 £
UN OCHA	1,578,091	867,012
UNICEF	1,336,995	1,106,776
Save The Children	257,002	-
International Narcotics Enforcement Bureau	67,904	150,709
Education Cannot Wait	-	166,737
Malala Fund	-	36,231
	<u>3,239,992</u>	<u>2,327,465</u>

CHILDREN IN CRISIS

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE FINANCIAL STATEMENTS

4 Cost of raising funds

	2023	2022
	£	£
	Unrestricted	Unrestricted
Other direct fundraising costs	6,654	6,928
	<u>6,654</u>	<u>6,928</u>
Allocated support costs (Note 7)	751	7,954
Total cost of raising funds	<u>7,405</u>	<u>14,882</u>

5 Expenditure on charitable activities: improving the education and protection provided to children

	2023			2022		
	Unrestricted Funds	Restricted Funds	Total 2023	Unrestricted Funds	Restricted Funds	Total 2022
	£	£	£	£	£	£
Afghanistan	89,014	4,146,665	4,235,679	174,472	2,486,925	2,661,397
DRC	-	-	-	-	63,988	63,988
Burundi	-	-	-	-	29,246	29,246
Allocated support costs (Note 8)	751	-	751	7,954	-	7,954
	<u>89,765</u>	<u>4,146,665</u>	<u>4,236,430</u>	<u>182,427</u>	<u>2,580,159</u>	<u>2,762,586</u>

6 Analysis of support costs

	Charitable activities	Raising Funds	Total 2023	Charitable activities	Raising Funds	Total 2022
	£	£	£	£	£	£
Support staff costs	-	-	-	-	-	-
Office costs	132,806	132,806	265,612	52,435	52,435	104,870
Communications	-	-	-	317	317	634
Exchange (gains)/losses	(5,267)	(5,267)	(10,534)	(5,261)	(5,261)	(10,522)
Legal & professional	9,535	9,535	19,070	7,909	7,909	15,818
Recharge of HQ Overheads to projects	(136,323)	(136,323)	(272,646)	(47,446)	(47,446)	(94,892)
	<u>751</u>	<u>751</u>	<u>1,502</u>	<u>7,954</u>	<u>7,954</u>	<u>15,908</u>

CHILDREN IN CRISIS

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE FINANCIAL STATEMENTS

7 Auditors' Remuneration

	Total 2023 £	Total 2022 £
Statutory UK audit	13,200	9,630
	13,200	9,630

8 Staff costs

There were no staff employed by the charity in the year under review (2022 nil).
All costs are borne by the parent entity

9 Investments

	31 March 2023 £	31 March 2022 £
Market value at 1 April	8,355	7,129
Gain/(loss) in the period	(353)	1,226
Market value at 31 March	8,002	8,355

	31 March 2023 £	31 March 2022 £
GlaxoSmithKline	4,116	5,930
Haleon	1,159	-
Pearson	2,727	2,425
	8,002	8,355

NOTES TO THE FINANCIAL STATEMENTS

10 Debtors

	31 March 2023	31 March 2022
	£	£
Amount owed by Group Undertakings	34,376	-
Trade debtors	-	11,312
Other debtors	169,210	72,052
Prepayments	11,507	31,324
	215,093	114,688

11 Creditors

	31 March 2023	31 March 2022
	£	£
Accruals and deferred income	30,414	165,543
Amount owed to Group Undertakings	-	60,677
Other creditors	496	-
Trade creditors	488,508	7,897
	519,418	234,117

CHILDREN IN CRISIS

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE FINANCIAL STATEMENTS

12 Restricted funds

	Balance 1 April 2022 £	Income £	Expenditure £	Transfers Between Funds £	Balance 31 March 2023 £
Afghanistan - Juvenile Justice - EU	104,150	-	-	-	104,150
Afghanistan: INL Educated & Empowered 2	(56,608)	67,904	(11,296)	-	-
Afghanistan - OCHA - COVID 19	6,607	-	-	-	6,607
Afghanistan - OCHA - Protection Services in Winter	8,213	-	(8,213)	-	-
Afghanistan: ECW - Restricted	(127,038)	561,958	(437,982)	-	(3,062)
Afghanistan: MHPSS Restricted	(85,510)	98,164	(12,654)	-	-
Afghanistan: Malala Fund	8,434	-	(8,434)	-	-
Afghanistan: OCHA Food Security Assistance	290,376	68,809	(359,185)	-	-
Afghanistan: General (Restricted)	60,060	-	(60,060)	-	-
Afghanistan: OCHA - Protective Rapid Response	145,861	-	(230,261)	-	(84,400)
Afghanistan: GPE Restricted	(259,461)	846,884	(616,644)	-	(29,221)
Afghanistan: OCHA - Safe and Learning	252,098	269,717	(454,315)	-	67,500
Afghanistan: Save the Children (ECW)	(2,269)	257,002	(431,377)	-	(176,644)
Afghanistan: AHF Protection - Logar and Maidan Wardak	-	149,442	(235,577)	-	(86,135)
Afghanistan: AHF Improve livelihood shock affected families	-	-	(54,860)	-	(54,860)
Afghanistan: AHF Enhanced Food Security Wardak Province	-	352,884	(568,906)	-	(216,022)
Afghanistan: AHF Every Child Counts & Reads	-	407,220	(310,179)	-	97,041
Afghanistan: AHF Protection- Baghlan, Daykundi, Faryab, Uroz	-	144,172	(116,354)	-	27,818
Afghanistan: AHF Protection- Kabul, Kandahar, Hirat, Urozgan	-	185,847	(198,418)	-	(12,571)
Afghanistan: Emergency Appeal	-	31,950	(31,950)	-	-
Burundi - Rural Skills	(1,650)	1,650	-	-	-
Total Restricted funds	343,263	3,443,603	(4,146,665)	-	(359,799)

Transfers from unrestricted funds into restricted funds represent Children in Crisis unrestricted funds being applied to restricted funds.

Transfers from restricted funds into unrestricted funds represent small balances moved for completed grants into unrestricted funds.

Funds with negative balances at 31 March 2023 are ongoing grants reimbursed in arrears by the funder where income has been received after the year end.

Afghanistan

Income to fund the Afghanistan programme was received from United Nations Office for the Coordination of Humanitarian Affairs (OCHA), UNICEF, Save the Children, International Narcotics and Law Enforcement- US disbursement (INL) and numerous Trusts & Foundations.

Burundi

The Burundi project was completed in the year and aimed to improve the access and retention of Batwa children in school.

2022 Restricted Funds movements

	Balance 1 April 2021 £	Income £	Expenditure £	Transfers Between Funds £	Balance 31 March 2022 £
Afghanistan - Juvenile Justice - EU	104,150	-	-	-	104,150
Afghanistan - OCHA	2,348	-	-	(2,348)	-
Afghanistan: INL Educated & Empowered 2	-	40,024	150,709	(167,293)	(56,608)
Afghanistan - OCHA - COVID 19	6,607	-	-	-	6,607
Afghanistan - OCHA - Protection Services in Winter	27,444	14,190	(33,421)	-	8,213
Afghanistan: ECW - Restricted	297,897	196,629	(621,564)	-	(127,038)
Afghanistan: MHPSS Restricted	-	26,159	(111,669)	-	(85,510)
Afghanistan: Malala Fund	-	36,231	(27,797)	-	8,434
Afghanistan: OCHA Food Security Assistance	-	297,161	(6,785)	-	290,376
Afghanistan: General (Restricted)	-	60,060	-	-	60,060
Afghanistan: OCHA - Protective Rapid Response	-	208,992	(63,131)	-	145,861
Afghanistan: GPE Restricted	-	1,098,964	(1,358,425)	-	(259,461)
Afghanistan: OCHA - Safe and Learning	-	346,668	(94,570)	-	252,098
Afghanistan: Save the Children (ECW)	-	-	(2,269)	-	(2,269)
Burundi - Rural Skills	27,596	-	(29,246)	-	(1,650)
DRC Projects	62,939	-	(63,988)	1,049	-
Total restricted funds	488,957	2,435,763	(2,580,158)	(1,299)	343,263

13 Analysis of net assets between funds 2023

	Unrestricted Funds	Restricted Funds	Total Funds 2023	£
Investments	8,002	-	8,002	
Net Current Assets	323,725 -	359,800 -	36,075	
	331,727 -	359,800 -	28,073	

Analysis of net assets between funds 2022

	Unrestricted Funds	Restricted Funds	Total Funds 2022	£
Investments	8,355	-	8,355	
Net Current Assets	218,399	344,561	562,960	
	226,754	344,561	571,315	

14 Related Party Transactions

Included in Debtors is an amount owed by Street Child of £34,376 (2022 £60,677 owed to Street Child). This represents the net of various intercompany transactions in the period to 31 March 2023.

15 Ultimate Parent Company

The Company is a subsidiary of Street Child, a charitable company registered in England and Wales (Company Number. 06749574, Charity Number 1128536.)

Copies of group financial statements are available from the registered office of the parent at 33 Creechurch Lane, London, EC3A 5EB.

16 Capital Commitments

There were no capital commitments not provided for in the financial statements (2022: none).