

FSCI (UK)

A Charitable Incorporated Organisation

TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

Charity number: 1170914

CIO number: CE009486

FSCI (UK)
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FSCI (UK)
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FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their annual report together with the financial statements of FSCI (UK) for the period ended 31 March 2021. The trustees confirm that the annual report and financial statements of the charity comply with current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) FRS102 "Accounting and Reporting by Charities".

Structure, Governance and Management

The charity was registered as a Charitable Incorporated Organisation (CIO) on 23 December 2016 and started carrying out its charitable activities on 1 April 2017. This is its fourth accounting period for the 12-month period to 31 March 2021.

FSCI (UK) also trades as the Foundation for Social Change and Inclusion.

The trustees who served during the period and up to the date of this report were:

- Bernard Bentley
- Ray Flux
- Steven Parker
- Elizabeth Pollard

The charity is managed by the trustees who make strategic decisions and are legally responsible for the management of risks faced by the charity. The day to day management of the charity is delegated to the Chief Executive. The Chief Executive attends all meetings of the trustees and regularly reports and updates the Board between their formal meetings.

Trustees are identified and selected by trustees for the knowledge, skills and experience in relevant fields that they can bring to the charity.

Risk Management

The trustees are responsible for identifying and reviewing the risks to which the charity is exposed and for ensuring appropriate controls are in place to provide reasonable safeguards against fraud and error.

Objectives and Activities

FSCI works to break the cycle of poverty and marginalization for some of the most vulnerable individuals and communities in Southeast Europe. We prevent exploitation and human trafficking, helping to effect positive change throughout the region. We do this in partnership with local people, public authorities, businesses and churches.

FSCI aims to:

- Work for the social development of underprivileged individuals, groups and communities.
- Help underprivileged children, young people, adults and families meet their potential as an accepted part of society.
- Promote the rights of underprivileged individuals, groups and communities.

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- Demonstrate to local and national authorities, businesses and communities that social problems can be tackled in more effective ways than those currently offered.
- Encourage and popularize voluntary work.

FSCI operates four programmes:

The House of Opportunity Programme (HOP) is a residential training programme for vulnerable young people at risk of exploitation, particularly those leaving orphanages and foster care. A network of small group homes supports these care leavers through the difficult transition to independence by helping them complete or continue their education, assisting them to find employment and helping them develop vital life skills. In this way they have every opportunity to lead a normal, fulfilling life. Over the last thirteen years the House of Opportunity Programme has supported 195 young Bulgarians and 116 young people outside of Bulgaria. This year FSCI provided four Houses of Opportunity in Bulgaria and five in other South East European countries. Evaluation shows that the programme is highly effective in helping young people establish positive and enduring foundations for life.

The Social Enterprise Programme offers an integrated approach to developing the employment skills of care leavers to equip them with what is required to succeed in the workplace.

The Early Years Education Programme provides a vital pathway into education for disadvantaged Roma children. Working with the families, this intervention leads to educational integration and the prevention of early school dropout. During 2020/21 FSCI ran a kindergarten in Fakulteta, Bulgaria, and one in Pegin, Albania.

The FSCI Development Programme builds the capacity of small, like-minded NGOs in Southeast European countries that share the problems FSCI is seeking to address. FSCI has seven partners in the Development Programme. Together with three of them we ran five Houses of Opportunity in Serbia, Croatia and Albania and one Early Years Education Programme in Albania during 2020/21. We began the Development Programme in 2015 as proof of concept work to test our social franchising approach to replication which is centred on the use of detailed operating manuals, with training, technical support and quality assurance delivered by our central team. The proof of concept pilots in Albania, Bosnia Herzegovina, Croatia and Serbia have worked well, delivering good outcomes for the individual beneficiaries and good value for money.

Each Christmas FSCI delivers thousands of shoeboxes with gifts to poor people in Southeast Europe. In the summer FSCI runs a football camp in Bulgaria for House of Opportunity residents and young men from a youth prison.

FSCI's achievements and performance which we report on here are the result of the hard work and commitment of a dedicated group of people based in a number of different countries and employed by a number of different organisations who all come together as the FSCI network. The team during 2020/21 included twenty-eight FSCI project staff in Bulgaria, two staff and an (unpaid) chief executive in the UK and fourteen project staff and thirty two regular volunteers in FSCI partner organisations. We also benefited from the support of over 40 volunteers in the UK.

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Achievements and Performance

Overview

2020/21 was very much defined for the charity by the global Covid 19 pandemic: operationally because of the additional risks and challenges associated with maintaining our delivery of services and financially, because of the downturn in giving and access to grants which proved to be the common experience of the majority of charities and NGOs operating in the UK and in the countries where FSCI operates. It was however more stable than the previous financial year when the charity, faced with a decline in income and the disappointment of a “near miss” on a large strategic grant from an international foundation, had had to implement a financial recovery plan which involved a reduction in the project portfolio, some redundancies in the UK and in Bulgaria and curtailment of support for some of the other projects that remain in the portfolio.

Trustees wish to pay tribute to the resilience and the ongoing professionalism, integrity and personal commitment of the operational leaders in the UK and in Bulgaria and to the leaders of FSCI’s partner organisations in the FSCI Development Programme. We take this opportunity to thank them.

The reputation of the House of Opportunity Programme and of FSCI is growing, which means government agencies are making more frequent approaches to FSCI and its partners and regularly referring vulnerable individuals, not all of which can be responded to despite the sometimes desperate needs of the individual young people or communities involved.

We were thrilled to be able to carry through our plans to open a third House of Opportunity in Serbia, in the city of Kragujevac, in June 2020, despite Covid.

During 2020/21 FSCI worked with its partner in Moldova, Beginning of Life, to develop a proposal for a multi-year transformative programme that would use our existing programmes and our field experience to build resilience in Moldova’s most vulnerable communities. We were able to present these proposals to a group of business people who have a heart for Europe’s poorest country and as the year came to a close FSCI and this group agreed on a five year £1.5M project to put our proposals into effect.

The charity ended the financial year stable, with a positive cash flow projection right through the new financial year, on cautious assumptions which took into account the implications of Covid 19 and the prospects of Moldova-related expansion in our activities.

Trustees are pleased to report that the FSCI multi-country network remains strong, with positive and effective collaboration continuing. This we see as particularly important given FSCI’s investment over the past five years to build the network. FSCI, with its committed and increasingly experienced group of partners presents serious practical potential as an agent of change, a potential we are putting to the test in our latest endeavours centred on Moldova.

Nothing explains better why FSCI's work is so important than a story of what it has meant for beneficiaries.

Case study: The House of Opportunity

It's a Family Thing - Vulko

Ten year old Vulko was taken in to care by social services. He'd never met his dad, and his mother was not coping with him or his brothers and sisters. Placed into an orphanage in Vratsa, Vulko was bullied by the older boys, and drawn into some seriously bad habits. Vulko learned to manipulate through threats and violence.

Vulko had a couple of things going for him. He was always ready to give things a try. He was good natured too – but this was buried under a lot of pain and negative behaviour. These characteristics on their own weren't enough when the time came for him to leave state care. His first inclination was to find work abroad, but this didn't go well, and he had to return to Bulgaria with no money and no prospects. He sought out his mother and this is where his good nature got him into trouble.

Vulko desperately wanted to help his mother, so she and the wider family exploited this by encouraging him to take out loans in his name and hand the money over to them. They had no intention of helping to repay and, of course, it was Vulko that owed the money. This, combined with a gambling problem, meant that Vulko was now saddled with debt. Then his family kicked him out.

A friend from Vulko's days in the orphanage told him about the House of Opportunity. Vulko joined FSCI's programme in June 2018, along with his debt, and his younger brother Valio, just out of state-care. Things were looking up, and whilst Vulko was about to learn just how hard getting out of debt was going to be, he was also gaining what he had long craved: people that would support him, and who he could rely on – a family.

Vulko's early days in the House weren't easy. Although the staff could see his good side, they also had to deal with his manipulative streak, and help him learn that the defensiveness and threatening behaviour he had learned were not the best basis for building the life he wanted. But Vulko was becoming focused. He could see something worthwhile ahead. Working with the House of Opportunity team, he finally had a plan to get out of debt.

FSCI has a good relationship with Hilton Sofia. The staff there are willing to work with young people who need that extra bit of support. Vulko began working at the hotel in 2018 and did well. With a steady job, and a newly acquired grip on his gambling, he now had the means to start repaying the loan. As further motivation, FSCI was able to negotiate Vulko's debt down by nearly a third. The pressure was on though – one missed monthly payment, and Vulko would have to repay the whole original amount. But he didn't miss.

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Along with the support of the FSCI House of Opportunity team, Vulko received a lot of encouragement from his new girlfriend, Yana. Yana, a student at Sofia University, also grew up in an orphanage and was now being supported by FSCI. Initially, the team were not hopeful that this new relationship would work, but Yana was a positive influence on Vulko, and was helping to bring some more structure to his life. Vulko and Yana demonstrated that they were serious. They wanted to get married. They wanted a family.

By the beginning of 2020 Vulko was well on the way to getting his debt paid off, and just before COVID struck, he and Yana were married. FSCI had helped the couple to find an apartment and paid the first month's rent. With the news that Yana was pregnant, the FSCI team and their partners at technology company, Experian, reached out to supporters who responded with donations of baby equipment and consumables.

Then, at last, came the day Vulko went debt-free! *"It was a very emotional moment for the team when Vulko came to the office to tell us that he had paid off the last of his debts!"* Boryana Madzhova, FSCI's House of Opportunity Coordinator recalls. *"He was extremely grateful for the whole long way that FSCI went with him – critical years in which he did not become a victim but succeeded through all the challenges and vulnerability".*

Covid 19

Covid 19 became a serious issue for FSCI at the tail end of the previous financial year.

Operationally, FSCI's Early Years Education Programmes in Sofia, Bulgaria and Pequin, Albania had to close for several months during 2020/21 under government restrictions. (The staff teams continued providing much valued support for the vulnerable, marginalised communities that the Early Years Programmes serve.)

FSCI's social enterprise programme in Bulgaria, Hope Restaurants, was forced to close to customers in March 2020 as was every other hospitality and food outlet in Sofia. We took the decision promptly to shut down the business, sadly making the employees redundant and stopping the employability training we had been doing with vulnerable young people in the House of Opportunity Programme and other beneficiaries referred by government and other NGOs. In the absence of strong reserves, trustees had no alternative.

The 2020 Christmas box appeal was severely affected. We suffered a significant reduction in the number of participating organisations and the number of boxes donated.

We also had trouble with UK warehousing. We accepted an offer of a large warehouse which we could have made work even with all the COVID restrictions in place in November 2020. The offer was withdrawn just two weeks before we were due to check, sort and pack the thousands of incoming Christmas boxes. The same company offered an alternative, which was much smaller. Our acceptance of this new space immediately meant that we could never meet our shipping deadline in early December. We rescheduled the checking and packing process for January 2021. We took advantage of the delay by extending the deadline for participating organisations to get involved, salvaging some more completed boxes.

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Shipping the boxes proved to be a huge challenge. In the post-Brexit confusion of early 2021, nobody, it seemed, knew how to process Humanitarian Aid, and we had a number of false starts and delays to contend with until we found a Dutch company that had worked out how to do it. They were very efficient, and FSCI actually paid less to ship the boxes than the previous year.

The team in Bulgaria did a tremendous job in managing the very late distribution of the Christmas boxes in May 2021.

Case study: Early Years Education/COVID-19

Hope and Fear in Fakulteta

Cutting through rumour and misinformation, our early years and community development team continued to care for those most in need throughout the year.

In Fakulteta, Sofia's largest Roma community, life changed radically when it was locked down by the city authorities on March 13th. Now the roads in and out of the community are open again, but life is not yet back to normal.

Ani leads FSCI's community centre team in Fakulteta. This is how she described the situation mid-way through the year: *"Currently in the neighbourhood lots of people are on unpaid leave or laid off from work. Taxi drivers don't work and the musicians either. We participated in a survey where people shared that they currently owe money for food and essential items in the stores. Some rely on relatives who send them money from abroad and some have resorted to quick loans".* Loan sharks have always been a serious problem. There are local criminals who will happily exploit their own for personal gain.

Together with other NGOs, Ani and her team worked with the authorities to help identify people most in need, to carry out testing for the virus and to form a much-needed line of communication between officials and the community. They help people to access services, deliver food and connect those who are ill with GPs. This collaborative approach has been positive, with hundreds of families receiving assistance, but suspicion of the authorities remained a problem in the community.

Some people refuse to believe the Covid problem is real. Commenting on one particular example, Ani said: *"There are rumours in the neighbourhood that these people did not die of Coronavirus, and everything is a lie. This is not true, there are positive tests from people in contact with those who passed away, just families want to hide the truth. Some people do not wear masks and believe that there is no danger. There are those who urge people not to test themselves voluntarily, believing that such a virus does not exist."*

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Rumours and contradiction spread quickly in Roma communities, where outsiders and events on the outside are often viewed sceptically. But there are many people living under quarantine, and Ani and her team know many families who have had loved ones in hospital. The second Coronavirus death recorded in the community was somebody that Ani knew – the father of some young people that have been participating in the teens group that she has been running at the community centre. *“My first field visit was to go and help test this family that we know well after the death of the father. It was very hard. And I was afraid”.*

Ani was determined to make sure that people in her community get the help they need, and her team is right with her. *“There are many people here that are getting sick, people that we have known and lived alongside for years. To work with them is emotionally draining. We know that there is risk, there is fear in all my colleagues, but it is really our duty to work for the community”.*

Looking forward, trustees conducted a review of fundraising strategy which led to decisions to invest more in local, place-based, project specific fundraising and in the specialist field of digital fundraising. FSCI has had to put on hold its pursuit of registration in Germany and its development of relationships with the European Commission in the post-Brexit world that FSCI (UK) now inhabits.

2020/21

The majority of FSCI’s direct charitable activity was in Bulgaria.

In addition, the FSCI Development Programme continued through the year with its main focus being practical replication of programmes developed by FSCI in Bulgaria in other Southeast European countries that face similar challenges to those that Bulgaria faces. Four of the five pilot Houses of Opportunity have continued to operate after the pilot period, almost entirely with new funding raised directly by the partner organisations and so too the Roma Kindergarten project in Albania. Additionally, the capacity building work has established the foundations for sustainable extension by the partner organisations of the FSCI programmes in future years with the concomitant increase in value and impact for beneficiaries.

Further details about both aspects of FSCI’s work follow.

Activity of FSCI Bulgaria

House of Opportunity Programme (HOP)

- A programme developed in response to the problem of young care leavers and their vulnerability to human trafficking, criminals and extreme poverty.
- Provides residential support and personal development for young care leavers including education, employment support, relationship building, money management, domestic skills and good decision making. All with the purpose of getting them ready for independent living.
- Four Houses with up to six young people each in Sofia (x2), Burgas and Varna (both moved during the previous financial year into the management of local civil society organisations. Varna completely funded by the municipality and a local charitable foundation)

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- One of these Houses, in Lyulin (Sofia), is supported by Experian, who covered the running costs to January 2021 and continue with their mentoring programme for HOP residents in Sofia.
- Other funding from FSCI (UK), and local businesses and volunteers.
- Notable increase in number of young people who have been assisted by the Programme in recovering lost school years to a point where they have been able to pass missed exams, graduate high school and secure university places. This feature changes the mix of programme participants where the pathway has tended to be to find employment whilst in FSCI's programme. We are adapting to the implications for ongoing support beyond the two years of the House of Opportunity Programme.

Related activity

- Building capacity with regard to Bulgarian national policies on social integration of at-risk youth and marginalised communities, especially Roma.
- Increasing the quality of the HOP.
- Developing the connection with our Social Enterprise as a means of enabling HOP residents to acquire employability skills and experience
- Excluded Youth Football Camp: HOP residents and FSCI Bulgaria staff and volunteers visit Boychinovtsi Youth Prison for a weekend of football, activities and workshops.

Early Years Education Programme (EYEP)

- The EYEP is designed to increase access to primary level education and beyond for marginalised children at high risk of falling into a life of poverty and exploitation.
- Based in Fakulteta, a large Roma community in Sofia.
- Focus is a kindergarten with up to 15 children a day benefitting.
- Community workers also support families to help keep the children attending.
- Relationships fostered with primary school outside of the community – children placed in these schools when the time is right. Support for families continues.
- After-school support for Primary-age children provided.
- Groups for teenagers in evenings/at weekends.
- Risk of Roma children in the programme falling outside of the education system greatly reduced with positive implications for their futures.
- Supported by two grants – one from Sofia-based International Women's Club and one from the UK-based Grant Charitable Trust.

Christmas Box Appeal (UK-Bulgaria)

- 6,492 boxes this year, a decrease of nearly 3,500 boxes from 2019 (9,985).
- 85 (125+ in 2019) schools, 23 (40+ in 2019) churches involved in UK.
- UK sorting and packing depot provided by Salisbury Storage Factory.
- Distributions in Bulgaria delayed until May 2021.
- 30+ organisations received boxes (churches and NGOs). Boxes distributed in locations throughout Bulgaria, but not in the normal way, due to COVID complications

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FSCI Development Programme

The Balkans is poorer than any other region of Europe. Many of the nations in that area face shared problems as a consequence of a long history of children being abandoned into state care, large closed communities of marginalised and very poor Roma people, low participation in education by children from those communities and high unemployment. These issues fuel crime and help explain why some of the countries in the region are major source countries for human trafficking and exploitation. The FSCI Development Programme is the out-working of a vision to take what has been achieved by the Foundation for Social Change and Inclusion (FSCI) in Bulgaria and replicate it in other Balkan countries. The central aspects of the FSCI Development Programme include:

- Codification of tried and tested projects, in a manual that can be shared with others, who can be trained to follow the manual and set up similar projects in their country, as part of a multinational programme.
- Careful identification and selection of partner organisations, in each country, that share a practical passion for poor and marginalised people and a strategic vision for their nation.
- Ongoing capacity building, to help those organisations to become more effective and impactful, increasing social change and inclusion across the region.

Under its Development Programme, FSCI is currently partnering with seven like-minded organisations in Southeast Europe. Providing a manual for work on its programmes, regular professional training, supervision, quality assurance and some financial support, FSCI is helping to successfully replicate the House Opportunity Programme (HOP), started in Bulgaria over 13 years ago.

The following FSCI Houses of Opportunity were operated during 2020/21 by partner organisations:

- In Belgrade, Kragujevac and Niš, Serbia, operated by Centar Zvezda.
- In Varaždin, Croatia, operated by Hoću Život.
- In Elbasan, Albania, operated by A2B Albania.

The Houses of Opportunity funded by FSCI (UK):

- Belgrade and Niš –partially funded since May 2018.
- Varaždin – partially funded since January 2018
- Elbasan – fully funded to May 2019

FSCI (UK) provided financial, professional and mentoring support to the staff teams of the Houses of Opportunity through regular web-based supervision and training by FSCI's Social Work Department Manager and the Balkan's Coordinator as well as annual quality assurance visits by the former.

Our Albanian partner, A2B, also operated a children's centre in Peqin as part of the FSCI Early Years Education Programme. The main goal of the project is to prevent early school dropout, increase the rate at which Roma children successfully integrate into the Albanian education system and ensure the overall welfare of Roma children.

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Activities:

- Preschool Education for 25 children (3-6 years old).
- Education for 20 children (6-10 years old) who have dropped out of school.
- Healthy meals (breakfast and lunch).
- Parents meetings – training about positive parenting; including child rights training, life skills, positive discipline, forms of abuse etc.

Achievements:

The pilot project showed that the Children's Centre made a real difference in the lives of these children, their parents and the wider community and led to positive results.

Looking to the future

Four of FSCI's partner organisations do not currently operate a House of Opportunity Programme because we have not yet raised sufficient funds. The Greek partners ran a day care centre for young people leaving homes for children deprived of parental care in Athens, while our partners in Macedonia and Moldova also work with vulnerable young people. Our partner in Bosnia Herzegovina continues to work with care leavers providing some residential support and training using learning they developed whilst operating an FSCI House of Opportunity.

Regular web-based meetings by FSCI's CEO with leaders of the partner organisations ensure partnership development and capacity building. The impact of these interventions has been enhanced by the addition of webinars on core topics such as grant writing, how to create and convey key messages, how to work with the media and how to develop stakeholder relationships. The impact of the Development Programme can be seen in many different ways. First of all, the House of Opportunity Programme has a very significant impact on the lives of its participants and can literally be life-saving (physically and spiritually). Secondly, the local community feels the positive impact since the young people in the Houses are encouraged to volunteer regularly and help people in need. Thirdly, through FSCI's support we help partner organisations become more effective and impactful in their local communities. For instance, most Houses have very good relationships with the local government and media. Being part of the FSCI Development Programme has given our partner organisations a highly valuable opportunity to position themselves in a new light with wider society and with government.

Case study: Centar Zvezda (Center Star), Serbia

Centar Zvezda joined the FSCI Development Programme in 2015. It was a small Belgrade-based NGO run wholly by volunteers, working with young people coming out of care to support their ongoing education and development. Centar Zvezda opened Serbia's first House of Opportunity in Belgrade in the autumn of 2015. FSCI committed to fund the pilot project for two years and also to fund the salary of Tanya Drazilovic, the NGO's founder and director. Centar Zvezda opened a second House of Opportunity, in Nis, midway through 2016 and again FSCI committed two years of funding.

Both Houses of Opportunity continue to provide vulnerable young people, mainly care leavers, with a safe place to live, life skills and employability training and a supportive environment to complete their education or to engage in their first jobs. The costs of the House of Opportunity Programme are met from a number of sources, some international, and some local to Serbia, including businesses, Centar Zvezda's own social enterprise and the Serbian Food Bank. FSCI continues to fund the director's salary.

Raising awareness of the problems and risks faced by young people leaving care and the profile of the House of Opportunity Programme has been at the heart of Tanya's activities. With encouragement, training and support from FSCI, Tanya has developed positive relationships with media and with businesses in Serbia. This is beginning to present significant dividends. Several broadcast media outlets have featured the House of Opportunity Programme. Journalists have even referred young people in trouble. A powerful documentary broadcast on national TV led to a Swiss philanthropic foundation contacting Centar Zvezda and agreeing to buy a building for them for use as the House of Opportunity in Belgrade and as a base for their expanding operations.

Centar Zvezda's social enterprise makes crafts and is a means of connecting with businesses. One Christmas this resulted in a commission to make 800 beer mug candles for Heineken. Last summer Centar Zvezda opened its third House of Opportunity, in Kragujevac, with support from a local IT company, first year funding from Blackrock, and at the invitation of the city's social services. Its House of Opportunity in Belgrade is full, and its House of Opportunity in Nis is now part funded by the Nis municipality and SoS Children's Villages in recognition of Centar Zvezda's role in providing employability training for vulnerable young care leavers. FSCI's social work development manager in Sofia recently trained the new team in Kragujevac. He regularly provides case advice and support to Centar Zvezda helping them stay true to the operating manual. Reflecting on the connection and support from FSCI's team in Sofia, Tanya simply says "I really don't know how we could do without it".

Financial Review

The charity generated income of £175,374 (2019/20 £161,823) and spent £191,976 (2019/20 £168,209).

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Fundraising has remained challenging. FSCI's approach to fundraising is to ensure as far as possible diversity in income streams. We are delighted that our place-based proposals for a wide ranging resilience building programme centred on Moldova won support as the year came to a close. This multi-year project provides FSCI with a strong backbone of sustained finance on which to build.

We continue to aim for a multi-country approach to generating funds and, having some experience of generating support for FSCI in both Germany and Switzerland, we still intend to register FSCI as a charity in Germany, a process which has been delayed by the Covid 19 crisis. Germany has a strong culture of philanthropy. Additionally, FSCI registration in Germany will enable FSCI to continue post Brexit to submit applications for EU grant funding where applicants from two member states are a minimum requirement.

Sustainability is important to FSCI. For this reason, we focus on capacity building within Bulgaria and with our partner organisations. We aim to generate an increasing proportion of the revenue required to sustain FSCI programmes locally, (Varna Municipality is a public sector example and Christian Broadcasting Network/Orphans' Promise which provides support towards the Houses of Opportunity in Serbia is a philanthropic example) enabling centrally generated funds to be applied primarily to the support of programme expansion and start up, to research and development, to the development programme and of course to essential core costs associated with a professional and high-quality organisation.

Reserves policy

The trustees' policy is to manage its finances so as to achieve budget surpluses when it is reasonably able to, thereby building the strategic reserve until any target which trustees set from time to time is reached. Taking into account inflation pressures and other risk factors, the level of the reserve target will be regularly reviewed from time to time.

That said, FSCI is operating in a very challenging environment where the needs and their urgency have increased, but simultaneously, so too has the intensity of competition for philanthropic resources. During the year trustees applied for a government backed Bounce Back loan of £31,000 which was generally available as part of the government's response to Covid. Including the Bounce Back loan, at the year end the charity had negative reserves of £104,105 (2019/20: negative reserves of £87,503) all of which were unrestricted.

This outturn has its origins in decisions trustees took in 2018/19 to introduce funds, constituted as long term interest free loans. Trustees took these decisions to avoid the unplanned disruption to beneficiaries which immediate reductions in expenditure would create and did so, having given reasonable consideration to known future funding and in the light of that consideration. The financial restructuring and recovery plan implemented during 2019/20 which involved some reductions in project expenditure and some redundancies included a loan repayment schedule starting in Q2 2020. Largely as a consequence of the impact of Covid, loan repayments did not begin when planned. However significant progress was made around the year end and at the beginning of the new accounting year.

As at October 2021, FSCI has reduced its negative reserves to £58,000, £31,000 of which is the Bounce Back loan which is being repaid monthly across the ensuing five years. The trustees have adopted an updated long term financial plan which offers the prospect of long term balanced budget sustainability.

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Statement of Trustees' Responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

The law applicable to charities in England & Wales requires the trustees to prepare annual financial statements, which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and governing documents. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees on13 October 2021

and signed on their behalf by:


Steven Parker Trustee

FSCI (UK)
LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 MARCH 2021

Charity Number	1170914
Charitable Incorporated Number	CE009486
Registered Office	St Paul's Church Fisherton Street Salisbury Wiltshire SP2 7QW
Trustees	Bernard Bentley Ray Flux Steven Parker Elizabeth Pollard
Key management	Chris Mould (Chief Executive) Richard Parsons (Operations Manager)
Bankers	Santander 53 Silver Street Salisbury SP1 2NG
Independent examiner	Simon Ellingham FCA DChA Fawcetts LLP Chartered Accountants and Statutory Auditors Windover House St. Ann Street Salisbury SP1 2DR

**INDEPENDENT EXAMINERS' REPORT
TO THE MEMBERS OF
FSCI (UK)**

I report on the accounts of the charity for the year ended 31 March 2021.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

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

- accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
- the accounts do not accord with those records; or
- the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.



Nick Jones FCCA
Chartered Accountants
Fawcetts LLP
Windover House
St. Ann Street
Salisbury
SP1 2DR

Date: 20 January 2022

FSCI (UK)
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2021

		Funds		2021	2020
		Unrestricted	Restricted	Total	Total
	Note	£	£	£	£
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	2	128,467	-	128,467	95,795
Charitable activities	3	46,907	-	46,907	64,972
Total income		175,374	-	175,374	160,767
EXPENDITURE ON:					
Raising funds		1,920	-	1,920	1,755
Charitable activities	4	190,056	-	190,056	163,358
Total expenditure		191,976	-	191,976	165,113
NET INCOME/(EXPENDITURE)		(16,602)	-	(16,602)	(4,346)
Transfers between funds		-	-	-	-
NET MOVEMENT IN FUNDS		(16,602)	-	(16,602)	(4,346)
RECONCILIATION OF FUNDS:					
Total funds brought forward		(87,503)	-	(87,503)	(83,157)
TOTAL FUNDS CARRIED FORWARD		(104,105)	-	(104,105)	(87,503)

All of the above results are derived from continuing activities.

There were no other recognised gains or losses other than those stated above.

The notes form part of these accounts

FSCI (UK)
BALANCE SHEET

AS AT 31 MARCH 2021

	Note	2021 £	2020 £
CURRENT ASSETS			
Debtors	7	-	-
Cash at bank and in hand		25,692	50,695
		25,692	50,695
CREDITORS: AMOUNTS DUE WITHIN ONE YEAR	8	(2,797)	(2,198)
NET CURRENT ASSETS		22,895	48,497
CREDITORS: AMOUNTS DUE AFTER ONE YEAR	9	(127,000)	(136,000)
NET ASSETS		<u>(104,105)</u>	<u>(87,503)</u>
FUNDS			
Unrestricted funds	10	(104,105)	(87,503)
Restricted funds	10	-	-
TOTAL FUNDS	11	<u>(104,105)</u>	<u>(87,503)</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 13 October 2021 and were signed on its behalf by:



Steven Parker
Trustee

The notes form part of these accounts

FSCI (UK)
NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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 United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared on a going concern basis. The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt over the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the accounts. The charity has significantly reduced its dependence on the support of the trustees who are aware of known future funding and have indicated that they will introduce funds should they be required meanwhile to meet the charity's liabilities. The trustees therefore consider that the going concern basis is appropriate. The accounts do not contain any adjustments that might be necessary were the going concern basis to be no longer appropriate.

The Coronavirus outbreak has so far not had a material impact on this assessment and, based on their current knowledge, they do not expect it to do so going forward.

The charity has applied Update Bulletin 1 as published on 2 February 2016 and does not include a cash flow statement on the grounds that it is applying FRS 102 Section 1A.

The significant accounting policies applied in the preparation of these accounts are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 INCOME

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. The financial statements are prepared in Sterling (£) which is the functional currency of the charity.

1.3 EXPENDITURE

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure includes attributable VAT which cannot be recovered.

Grants payable are payments made to third parties in furtherance of the charitable objects of the Charity. The grants are accounted for where the trustees have agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive a grant.

1.4 FUND ACCOUNTING

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are used in accordance with specific restrictions imposed by donors which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund where allowable. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.5 FINANCIAL INSTRUMENTS

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Debtors are measured at their recoverable amount. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

FSCI (UK)
NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

1.6 TAXATION

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

2. Donations and legacies

	Unrestricted £	Restricted £	Total 2021 £	Total 2020 £
General donations	85,108	-	85,108	70,297
Christmas Box Appeal donations	18,359	-	18,359	25,498
MDF - Moldova Development Fund	25,000	-	25,000	-
	<u>128,467</u>	<u>-</u>	<u>128,467</u>	<u>95,795</u>
<i>Total 2020</i>	<i>95,795</i>	<i>-</i>	<i>95,795</i>	

3. CHARITABLE ACTIVITIES - INCOME

	Unrestricted £	Restricted £	Total 2021 £	Total 2020 £
Grants	20,000	-	20,000	53,500
Other income	26,907	-	26,907	11,472
	<u>46,907</u>	<u>-</u>	<u>46,907</u>	<u>64,972</u>
<i>Total 2020</i>	<i>60,472</i>	<i>4,500</i>	<i>64,972</i>	

4. CHARITABLE ACTIVITIES - EXPENDITURE

	Unrestricted £	Restricted £	Total 2021 £	Total 2020 £
Project expenses	3,028	-	3,028	126
Wages and salaries (note 5)	37,738	-	37,738	34,577
Accountancy and Independent Examination fees	1,355	-	1,355	1,300
Consulting	-	-	-	-
Grants to partner organisations	139,300	-	139,300	112,111
Insurance	1,801	-	1,801	1,848
IT software and office consumables	1,641	-	1,641	1,155
Motor vehicle expenses	1,704	-	1,704	1,511
Postage and carriage	636	-	636	5,919
Rent	2,810	-	2,810	2,987
Telephone and internet	43	-	43	72
International travel	-	-	-	1,083
National travel	-	-	-	669
	<u>190,056</u>	<u>-</u>	<u>190,056</u>	<u>163,358</u>
<i>Total 2020</i>	<i>158,858</i>	<i>4,500</i>	<i>163,358</i>	

The grants to partner organisations represents £4,500 (2020 - £2,648) paid to A2B (Albania), £nil (2020 - £nil) paid to Beginning of Life Moldova (Moldova), £14,170 (2020 - £14,170) paid to Center Star (Serbia), £nil (2020 - £nil) paid to Center for Supporting Creative Endeavours (Macedonia), £87,380 (2020 - £87,380) paid to FSCI Bulgaria (Bulgaria), £7,913 (2020 - £7,913) to Hocu Zivot (Croatia) and £nil (2020 - £nil) to Nada za Zivot (Croatia).

FSCI (UK)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021

5. STAFF COSTS

Staff costs during the year were as follows:

	2021	2020
	£	£
Charitable Activities:		
Salaries and wages	35,757	32,926
Employers' National Insurance costs		-
Pension contributions	1,981	1,651
	<u>37,738</u>	<u>34,577</u>

The above also represents the key management personnel remuneration.

The average monthly number of employees during the year was as follows:

	2021	2020
	No.	No.
Project management	<u>1</u>	<u>1</u>

There were no employees who earned in excess of £60,000 per annum or more (including taxable benefits) during the year.

6. TRUSTEES' REMUNERATION AND RELATED PARTY TRANSACTIONS

None of the trustees received any remuneration or reimbursement of expenses in respect of their duties as trustees during the year.

As at 31 March 2021 the charity owed £96,000 to its trustees and key management personnel for interest free loans (2020: £136,000).

During the year 2 trustees made donations to the charity totalling £43,000.

There were no other related party transactions during the year.

7. DEBTORS

	2021	2020
	£	£
Other debtors	-	-
	<u>-</u>	<u>-</u>

FSCI (UK)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021

8. CREDITORS: AMOUNTS DUE WITHIN ONE YEAR	2021	2020
	£	£
Accruals and deferred income	1,004	938
Social security and other taxes	1,793	1,260
Other loans	-	-
	<u>2,797</u>	<u>2,198</u>
	<u><u>2,797</u></u>	<u><u>2,198</u></u>
 9. CREDITORS: AMOUNTS DUE AFTER ONE YEAR	 2021	 2020
	£	£
Other loans	127,000	136,000
	<u>127,000</u>	<u>136,000</u>
	<u><u>127,000</u></u>	<u><u>136,000</u></u>
 Other loan repayments:	 2021	 2020
	£	£
Less than 1 year	-	-
Between 2 and 5 years	127,000	136,000
In 5 years or more	-	-
	<u>127,000</u>	<u>136,000</u>
	<u><u>127,000</u></u>	<u><u>136,000</u></u>

£96,000 of the loans are interest free with no fixed repayment terms, the remaining £31,000 is repayable over 5 years with an interest rate of 2.5%.

FSCI (UK)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021

10. FUNDS

	Balance b/fwd	Incoming resources	Outgoing resources	Transfers	Balance c/fwd
Restricted funds					
Salary Funding (Serbia director)	-			-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unrestricted funds					
General fund	(87,503)	175,374	(191,976)	-	(104,105)
	<u>(87,503)</u>	<u>175,374</u>	<u>(191,976)</u>	<u>-</u>	<u>(104,105)</u>
Total funds	<u>(87,503)</u>	<u>175,374</u>	<u>(191,976)</u>	<u>-</u>	<u>(104,105)</u>

Comparative statement of funds for the period ended 31 March 2020:

	Balance b/fwd	Incoming resources	Outgoing resources	Transfers	Balance c/fwd
Restricted funds					
Salary Funding	-	4,500	(4,500)	-	-
	<u>-</u>	<u>4,500</u>	<u>- 4,500</u>	<u>-</u>	<u>-</u>
Unrestricted funds					
General fund	(83,157)	156,267	(160,613)	-	(87,503)
	<u>(83,157)</u>	<u>156,267</u>	<u>(160,613)</u>	<u>-</u>	<u>(87,503)</u>
Total funds	<u>(83,157)</u>	<u>160,767</u>	<u>(165,113)</u>	<u>-</u>	<u>(87,503)</u>

Restricted funds:

Salary Funding

Donations received in for the purpose of paying salaries (2020: Serbia Director through partner organisation).

General fund:

This represents funds which have been accumulated for the general purposes of the charity.

FSCI (UK)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Net current assets £	Total £
Restricted funds	-	-
Unrestricted general funds	(104,105)	(104,105)
	<u>(104,105)</u>	<u>(104,105)</u>
Net Assets at the end of the year	<u>(104,105)</u>	<u>(104,105)</u>

Comparative statement of net assets between funds for the period ended 31 March 2020:

	Net current assets £	Total £
Restricted funds	-	-
Unrestricted general funds	(87,503)	(87,503)
	<u>(87,503)</u>	<u>(87,503)</u>
Net Assets at the end of the year	<u>(87,503)</u>	<u>(87,503)</u>

FSCI (UK)
NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

12. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2020

	Funds		2020
	Unrestricted	Restricted	Total
	£	£	£
INCOME AND ENDOWMENTS FROM:			
Donations and legacies	95,795	-	95,795
Charitable activities	60,472	4,500	64,972
	<hr/>	<hr/>	<hr/>
Total income	156,267	4,500	160,767
EXPENDITURE ON:			
Raising funds	1,755	-	1,755
Charitable activities	158,858	4,500	163,358
	<hr/>	<hr/>	<hr/>
Total expenditure	160,613	4,500	165,113
NET INCOME/(EXPENDITURE)	(4,346)	-	(4,346)
Transfers between funds	-	-	-
	<hr/>	<hr/>	<hr/>
NET MOVEMENT IN FUNDS	(4,346)	-	(4,346)
RECONCILIATION OF FUNDS:			
Total funds brought forward	(83,157)	-	(83,157)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS CARRIED FORWARD	(87,503)	-	(87,503)

All of the above results are derived from continuing activities.

There were no other recognised gains or losses other than those stated above.