

FSCI (UK)
A Charitable Incorporated Organisation

TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023

Charity number: 1170914
CIO number: CE009486

**FSCI (UK)
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FOR THE YEAR ENDED 31 MARCH 2023

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FSCI (UK)
LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 MARCH 2023

| | |
|---------------------------------------|--|
| 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 |

**FSCI (UK)
TRUSTEES REPORT**

FOR THE YEAR ENDED 31 MARCH 2023

FSCI (UK) TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their annual report together with the financial statements of FSCI (UK) for the period ended 31 March 2023. 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 sixth accounting period for the 12-month period to 31 March 2023.

FSCI (UK) also trades as House of Opportunity and 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.

Any new trustees are identified and selected by current 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.

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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;
- 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 fifteen years the House of Opportunity Programme has supported 250 young Bulgarians and 185 young people outside of Bulgaria. This year FSCI provided four Houses of Opportunity in Bulgaria and six in other Southeast 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 children from Roma neighbourhoods and other vulnerable communities. Working with the families, this intervention leads to educational integration and the prevention of early school dropout. During 2022/23 FSCI ran kindergartens in Fakulteta, Bulgaria, and Peqin, Albania and an Early Child Development Centre in Chisinau, Moldova. Over 250 children benefitted.

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 four of them we ran six Houses of Opportunity in Serbia, Croatia, Albania, and most recent, in Moldova and Early Years Education Programmes in Albania and Moldova during 2022/23. 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 worked well, delivering good outcomes for the individual beneficiaries and good value for money.

Other activities 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 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

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organisations who all come together as the FSCI Network. The team during 2022/23 included twelve FSCI project staff in Bulgaria, two staff and an (unpaid) chief executive in the UK and thirteen project staff and thirteen regular volunteers in FSCI partner organisations. We also benefited from the support of over 300 volunteers in the UK.

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. Their dedication and fortitude are very valuable assets which help to make the charity stand out in its field. 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.

Achievements and Performance

Overview

The charity ended the financial year stable, with a positive cash flow projection through the new financial year.

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 under our Building Resilience in Vulnerable Communities Project.

The charity maintained its project portfolio throughout the year providing a full range of services to its beneficiaries.

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

Not a chance – Dren (name changed) Jan 2023

Little Dren stood no chance at home. His mother was a prostitute, his home a broken down apartment building known locally as "the hotel", his bedroom a shared space with a leaky roof, no father as such, but a succession of men only too happy to pay his mother for access...
He stood no chance at school. How could he with a life like his?

He surely stood no chance of escape. This was his life; from the moment it was turned upside down when his mother turned to prostitution in desperation when he was 5 years old, his path was set. A path that would probably mean he would be lucky get out of the small Albanian town of Delvinë, where he grew up, alive.

Dren's daily routine swung between unspeakable abuse and neglect. At least when he was being neglected he could take himself off somewhere. At the age of 7, Dren began taking himself to a local church. He and a few friends would go there to play. Like children. Here was warmth and safety, and the pastor and his wife

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were the exact opposite of most of the adults he knew. He began to memorise the bible stories he heard at the church. They brought some comfort.

But what chance did this faint ray of hope have of growing into anything more? Even as he continued to go to the church and receive the limited help and support on offer there over the following years, Dren could not escape the life of degradation and poverty that had been forced on him. The years passed, and all that he desired was to leave that wretched building, his mother and her men behind, so very much. But one way or another, he was trapped.

At the age of 18 a possibility opened up at last. In a decisive moment, Dren took the only chance he could at something utterly new. Encouraged by the pastor, Dren decided to try and make a better life for himself and joined the House of Opportunity Programme in Elbasan in October 2022.

So early in his time at Elbasan, it is perhaps too soon to declare that Dren will escape his old life, but he might just. After a visit to his old friends the pastor and his wife over Christmas, the pastor told the House of Opportunity team that they could already see a difference in Dren. And he is determined to press on with his new life.

Dren has begun, ever so slowly, to write down the story of his life so far in greater detail. He keeps his notebook closely guarded, but he has shared a little with the House of Opportunity team already and believes that telling his story will be helpful. Even with a lot of support and care from the team at House of Opportunity, it's going to take a lot out of Dren to make a break with his past and build something good. Perhaps the odds are against him. But at House of Opportunity, he'll have every chance.

Ukrainian Refugee Crisis

The war in Ukraine became a serious issue for FSCI at the tail end of the previous financial year when the influx of thousands of refugees demanded the attention of our partners in Moldova and to a lesser extent in Bulgaria. FSCI launched an emergency appeal to help Ukrainian refugees which attracted significant support. With immediate, pre-existent operational connections to established, local, community-based NGOs, the charity was able to offer concerned donors a route to a rapid, tailored response. As a result FSCI has funded a response team in Moldova, with a logistics co-ordinator and three social workers and provided direct humanitarian aid to refugees housed temporarily in their thousands on Bulgaria's Black Sea coast. The Moldovan team continued to provide valuable services throughout the year in collaboration with the Moldovan government and a wide range of community-based NGOs.

Christmas Shoe Box appeal 2022

After the challenges presented by Covid, the 2021 Christmas Box Appeal went well. Donations of Christmas boxes in 2022 were down on the year before. The charity conducted a review of the project with its local partners and concluded that the value to highly needy beneficiaries and to the community-based NGOs that engaged with them justified continuation of the project.

Some numbers in brief:

- 7,592 boxes
- 118 schools, 30 churches involved in UK.
- UK sorting and packing depot provided by Trussell Trust, Salisbury.
- 70+ organisations/institutions/NGOs/community groups received boxes.
- Boxes distributed in locations throughout Bulgaria.

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2022/23

The majority of FSCI's direct charitable activity was in Bulgaria. The rest is delivered through the FSCI Development Programme with its 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.

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 the latter two managed by local civil society organisations with a substantial degree of locally generated funding.
- 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.
- Excluded Youth Camp: HOP residents and FSCI Bulgaria staff and volunteers visit Vrata Youth Prison for a weekend of football, activities and workshops.

There is still hope – Sara (name changed) Sept 2022

Sara's life was full of darkness, and it nearly overwhelmed her. At the House of Opportunity, she can begin to imagine something different for herself.

Sara never knew the love of a father. Her dad was a drunk, and his neglect of her meant that Sara was not really sad when her parents divorced. *"Unfortunately, that's when my hell started"*, Sara shares. You see, her mother didn't seem to love her either. So who could Sara go to when her mother's new boyfriend began to abuse her? Mum simply didn't want to hear or see what was happening.

Sara was often hungry, her basic needs neglected by day. Neighbours fed her often. Some neglect would have been welcome at night. At the age of 14, Sara started to experience panic attacks,

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developed depression and began self-harming. Then, deciding she couldn't go on, she tried to end her own life. From that time on the psychiatric ward at the hospital became like a second home for her, and she got some help, at last. However, her mother still wouldn't pay attention, seemingly devoted to Sara's half-brother, who took every opportunity to belittle and insult her. Somehow, through all this Sara found a reason to keep going.

Sara struggled to finish her schooling, which she managed to do whilst staying on the psychiatric ward. Despite the fact that she had now developed epilepsy, Sara took the bold step of trying to live on her own. But it was so hard. Too hard. Then she heard about the House of Opportunity. Maybe this was a place that could provide her with what she needed. Or was it too good to be true? But really, what choice was there?

Sara hasn't been in the House long, but she can already tell that things are different there. There is a lot for her to work through, but the House team are working with her, and helping her to get the best ongoing treatment she can, as well as putting in the time to just be with her and give her more reasons to keep going. Sara herself is far from sure, but she certainly hasn't given up and told us *"I believe there is still hope for me"*. We believe it too.

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.

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 outworking 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:

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- 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 15 years ago.

The following FSCI Houses of Opportunity were operated during 2022/23 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.
- In Comrat, Moldova operated by Beginning of Life.

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.

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.

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:

Evaluation of the 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. These outcomes continue.

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The brightest stars – Mar 2023

Here at House of Opportunity, when we organise a gathering of stars, we're not thinking Hollywood...

Center Star, our Serbian partner organisation, celebrated its 10th anniversary in Belgrade on March 12th. Among those gathered at the event were House of Opportunity Programme residents past and present, many of whom took an active role in the evening.

"There has been a lot of commitment from so many people these last 10 years", says Tanya Drazilovic, Director of Center Star. "It has taken a lot of love, because sometimes it feels like a fight to provide the help that is needed for young people in real need. It has been a great joy to see 76 young people, our stars, go through the House of Opportunity Programme. We would like to thank all the people who have helped us so selflessly these last years, and we thank the guests, helpers and supporters who made our celebration such a wonderful event. All of this would not be possible without you, but we are all eager to do more. Many thanks from the heart and together we will continue to help all the young people in need".

Rich Parsons, House of Opportunity's Operations Manager, *"It really was heartening to see so many of the young people who have been through the Serbian House of Opportunity Programme gathered in one place. To see former House residents together with their own children and families, and think back to what they have been through in their lives, and how hard they have worked to get here, was very special. Some of these young people would not be alive if it wasn't for Tanya and her team, and many others would have probably gone on to endure a great deal of misery if they had not been given the opportunity for something better. A great deal of love, effort and prayer has been put into the lives of these young people, and when you see them celebrating together like this – it really shows!"*

We look forward to seeing how bright these stars will burn in the future.

Financial Review

The charity generated income of £386,234 (2021/22 £463,085) and spent £444,169 (2021/22 £363,895).

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. This has offered a degree of multi-year security. 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.

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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 2021/22 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 £62,850 (2021/22 negative reserves of £4,915) all of which were unrestricted.

The charity's financial history 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. Largely as a consequence of the impact of Covid, loan repayments did not begin when planned. However significant progress was made in 2021/22 and in the current financial year.

Approved by the trustees on 29.01.2024

and signed on their behalf by:



Elizabeth Pollard Trustee

**INDEPENDENT EXAMINERS' REPORT
TO THE MEMBERS OF**

FSCI (UK)

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 March 2023 which are set out on pages 12 to 20.

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 charity's accounts carried out under section 145 of the 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.

Simon J. Ellingham

Simon Ellingham FCA DChA
Fawcetts LLP Chartered Accountants
Windover House
St. Ann Street
Salisbury
SP1 2DR

Date: 30 January 2024

FSCI (UK)
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023

| | | Funds | | 2023 | 2022 |
|------------------------------------|------|-----------------|------------|-----------------|----------------|
| | Note | Unrestricted | Restricted | Total | Total |
| | | £ | £ | £ | £ |
| INCOME AND ENDOWMENTS FROM: | | | | | |
| Donations and legacies | 2 | 309,528 | - | 309,528 | 387,247 |
| Charitable activities | 3 | 76,706 | - | 76,706 | 75,838 |
| | | | | | |
| Total income | | 386,234 | - | 386,234 | 463,085 |
| EXPENDITURE ON: | | | | | |
| Raising funds | | 7,734 | - | 7,734 | 3,132 |
| Charitable activities | 4 | 436,435 | - | 436,435 | 360,763 |
| | | | | | |
| Total expenditure | | 444,169 | - | 444,169 | 363,895 |
| NET INCOME/(EXPENDITURE) | | (57,935) | - | (57,935) | 99,190 |
| Transfers between funds | | - | - | - | - |
| | | | | | |
| NET MOVEMENT IN FUNDS | | (57,935) | - | (57,935) | 99,190 |
| RECONCILIATION OF FUNDS: | | | | | |
| Total funds brought forward | | (4,915) | - | (4,915) | (104,105) |
| | | | | | |
| TOTAL FUNDS CARRIED FORWARD | | (62,850) | - | (62,850) | (4,915) |

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 2023

| | Note | 2023 £ | 2022 £ |
|---|------|------------------------|-----------------------|
| CURRENT ASSETS | | | |
| Debtors | 7 | - | - |
| Cash at bank and in hand | | <u>2,502</u> | <u>52,713</u> |
| | | 2,502 | 52,713 |
| CREDITORS: AMOUNTS DUE WITHIN ONE YEAR | 8 | <u>(14,377)</u> | <u>(4,521)</u> |
| NET CURRENT ASSETS | | (11,875) | 48,192 |
| CREDITORS: AMOUNTS DUE AFTER ONE YEAR | 9 | (50,975) | (53,107) |
| NET ASSETS | | <u>(62,850)</u> | <u>(4,915)</u> |
| FUNDS | | | |
| Unrestricted funds | 10 | (62,850) | (4,915) |
| Restricted funds | 10 | - | - |
| TOTAL FUNDS | 11 | <u>(62,850)</u> | <u>(4,915)</u> |

The financial statements were approved and authorised for issue by the Board of Trustees on 29.07.2024 and were signed on its behalf by:

Elizabeth Pollard
Trustee



The notes form part of these accounts

FSCI (UK)
NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2023

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 up to £50,000 should they be required 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 left the charity with a large liability in the form of a bounce back loan received, this continues to be repaid in line with the agreement in place with the lender.

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.

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2023

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 2023 £ | Total 2022 £ |
|--------------------------------|-------------------|-----------------|--------------------|--------------------|
| General donations | 120,389 | - | 120,389 | 207,416 |
| Christmas Box Appeal donations | 16,639 | - | 16,639 | 17,326 |
| MDF - Moldova Development Fund | 172,500 | - | 172,500 | 162,505 |
| | <u>309,528</u> | <u>-</u> | <u>309,528</u> | <u>387,247</u> |
| <i>Total 2022</i> | <i>387,247</i> | <i>-</i> | <i>387,247</i> | |

3. CHARITABLE ACTIVITIES - INCOME

| | Unrestricted £ | Restricted £ | Total 2023 £ | Total 2022 £ |
|-------------------|-------------------|-----------------|--------------------|--------------------|
| Grants | 29,000 | - | 29,000 | - |
| Gift aid | 45,688 | - | 45,688 | 67,583 |
| Other income | 2,018 | - | 2,018 | 8,255 |
| | <u>76,706</u> | <u>-</u> | <u>76,706</u> | <u>75,838</u> |
| <i>Total 2022</i> | <i>75,838</i> | <i>-</i> | <i>75,838</i> | |

4. CHARITABLE ACTIVITIES - EXPENDITURE

| | Unrestricted £ | Restricted £ | Total 2023 £ | Total 2022 £ |
|--|-------------------|-----------------|--------------------|--------------------|
| Project expenses | 81 | - | 81 | 3,983 |
| Wages and salaries (note 5) | 64,164 | - | 64,164 | 50,938 |
| Accountancy and Independent Examination fees | 1,479 | - | 1,479 | 1,500 |
| Grants to partner organisations | 344,026 | - | 344,026 | 266,092 |
| Insurance | 1,854 | - | 1,854 | 1,780 |
| IT software and office consumables | 1,927 | - | 1,927 | 1,641 |
| Motor vehicle expenses | 2,756 | - | 2,756 | 2,528 |
| Postage and carriage | 4,941 | - | 4,941 | 11,603 |
| Rent | 2,760 | - | 2,760 | 2,575 |
| Telephone and internet | 72 | - | 72 | 42 |
| International travel | 8,372 | - | 8,372 | 2,934 |
| Direct expenses | - | - | - | 6,150 |
| Bank fees | 69 | - | 69 | 13 |
| Consulting | 3,000 | - | 3,000 | 2,000 |
| Subscriptions | - | - | - | 15 |
| Returns | - | - | - | 6,969 |
| Loan interest | 934 | - | 934 | - |
| | <u>436,435</u> | <u>-</u> | <u>436,435</u> | <u>360,763</u> |
| <i>Total 2022</i> | <i>360,763</i> | <i>-</i> | <i>360,763</i> | |

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The grants to partner organisations represents £18,293 (2022 - £10,252) paid to A2B (Albania), £142,613 (2022 - £101,532) paid to Beginning of Life Moldova (Moldova), £24,611 (2022 - £18,529) paid to Center Star (Serbia), £143,715 (2022 - £123,540) paid to FSCI Bulgaria (Bulgaria), and £14,793 (2022 - £12,239) to Hocu Zivot (Croatia)

5. STAFF COSTS

Staff costs during the year were as follows:

| | 2023 | 2022 |
|-------------------------------|---------------|---------------|
| | £ | £ |
| Charitable Activities: | | |
| Salaries and wages | 62,565 | 49,252 |
| Pension contributions | 1,599 | 1,686 |
| | <u>64,164</u> | <u>50,938</u> |

The above also represents the key management personnel remuneration.

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

| | 2023 | 2022 |
|--------------------|-------------|-------------|
| | No. | No. |
| Project management | <u>2</u> | <u>2</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 2023 the charity owed £35,000 to its trustees and key management personnel for interest free loans (2022: £25,000).

During the year 3 trustees made donations to the charity totalling £7,299.

There were no other related party transactions during the year.

7. DEBTORS

| | 2023 | 2022 |
|---------------|-------------|-------------|
| | £ | £ |
| Other debtors | <u>-</u> | <u>-</u> |
| | <u>-</u> | <u>-</u> |

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| 8. CREDITORS: AMOUNTS DUE WITHIN ONE YEAR | 2023 | 2022 |
|--|---------------|--------------|
| | £ | £ |
| Accruals and deferred income | 895 | 979 |
| Social security and other taxes | 7,256 | 3,542 |
| Loans | 6,226 | - |
| | <u>14,377</u> | <u>4,521</u> |

| 9. CREDITORS: AMOUNTS DUE AFTER ONE YEAR | 2023 | 2022 |
|---|---------------|---------------|
| | £ | £ |
| Other loans | 50,975 | 53,107 |
| | <u>50,975</u> | <u>53,107</u> |

| Other loan repayments: | 2023 | 2022 |
|------------------------|---------------|---------------|
| | £ | £ |
| Less than 1 year | - | - |
| Between 2 and 5 years | 35,000 | 25,000 |
| In 5 years or more | 15,975 | 28,107 |
| | <u>50,975</u> | <u>53,107</u> |

£35,000 of the loans are interest free with no fixed repayment terms, the remaining £15,975 is repayable over 5 years with an interest rate of 2.5%.

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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 | (4,915) | 386,234 | (444,169) | - | (62,850) |
| | <u>(4,915)</u> | <u>386,234</u> | <u>(444,169)</u> | <u>-</u> | <u>(62,850)</u> |
| Total funds | <u>(4,915)</u> | <u>386,234</u> | <u>(444,169)</u> | <u>-</u> | <u>(62,850)</u> |

Comparative statement of funds for the period ended 31 March 2022:

| | 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 | (104,105) | 463,085 | (363,895) | - | (4,915) |
| | <u>(104,105)</u> | <u>463,085</u> | <u>(363,895)</u> | <u>-</u> | <u>(4,915)</u> |
| Total funds | <u>(104,105)</u> | <u>463,085</u> | <u>(363,895)</u> | <u>-</u> | <u>(4,915)</u> |

Restricted funds:

Salary Funding

Donations received in for the purpose of paying salaries.

General fund:

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

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11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Net current assets £ | Total £ |
|--|-------------------------------|------------------------|
| Restricted funds | - | - |
| Unrestricted general funds | (62,850) | (62,850) |
| | <u>(62,850)</u> | <u>(62,850)</u> |
| Net Assets at the end of the year | <u>(62,850)</u> | <u>(62,850)</u> |

Comparative statement of net assets between funds for the period ended 31 March 2022:

| | Net current assets £ | Total £ |
|--|-------------------------------|-----------------------|
| Restricted funds | - | - |
| Unrestricted general funds | (4,915) | (4,915) |
| | <u>(4,915)</u> | <u>(4,915)</u> |
| Net Assets at the end of the year | <u>(4,915)</u> | <u>(4,915)</u> |

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12. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2022

| | Funds | | 2022 |
|------------------------------------|---------------------|-------------------|----------------|
| | Unrestricted | Restricted | Total |
| | £ | £ | £ |
| INCOME AND ENDOWMENTS FROM: | | | |
| Donations and legacies | 387,247 | - | 387,247 |
| Charitable activities | 75,838 | - | 75,838 |
| | | | |
| Total income | 463,085 | - | 463,085 |
| EXPENDITURE ON: | | | |
| Raising funds | 3,132 | - | 3,132 |
| Charitable activities | 360,763 | - | 360,763 |
| | | | |
| Total expenditure | 363,895 | - | 363,895 |
| NET INCOME/(EXPENDITURE) | 99,190 | - | 99,190 |
| Transfers between funds | - | - | - |
| | | | |
| NET MOVEMENT IN FUNDS | 99,190 | - | 99,190 |
| RECONCILIATION OF FUNDS: | | | |
| Total funds brought forward | (104,105) | - | (104,105) |
| | | | |
| TOTAL FUNDS CARRIED FORWARD | (4,915) | - | (4,915) |

All of the above results are derived from continuing activities.

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