ANNUAL REPORT & FINANCIAL STATEMENT

30th September 2011
Charity No 1001327
Scottish Charity Registration SCO 39383

To cure, sometimes; To help, often; To comfort, always
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Charity Information

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May Biggam    Funding Development Manager

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Allan Gallacher  Charity Accountant (Part time)

Finance and Audit

Gill Wilson  Shop Manager Kirkbymoorside
Chairman & Chief Executive’s
Introduction

“It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the epoch of belief, it was the epoch of incredulity, it was the season of Light, it was the season of Darkness, it was the spring of hope, it was the winter of despair, we had everything before us, we had nothing before us, we were all going direct to heaven, we were all going direct the other way.”

Having recently celebrated the twenty-first anniversary of the charity’s foundation everyone involved with Children in Distress has had cause to reflect on the charity, its work, the original objectives and its mission, which has evolved and changed over the years to meet the demands and needs of children in distress across the Balkans. The original intention was to meet the needs of infants and children touched by poverty and deprivation, then by the scourge of HIV and AIDS and finally those abandoned as result of being different, as result of disability or deformity. It was envisaged that the work would last no more that five years and then be handed over to local or national authorities who would by then be able to shoulder the burden having gained in the interim the necessary experience required of modern techniques and philosophies of paediatric care and social welfare. Yet today, the work of the charity seems needed more than ever before, as Romania’s national authorities seem to have abandoned the pretence and latterly statutory responsibility for the welfare and care of children ‘in distress’. Those in their communities living with physical, intellectual or educational handicap as result of genetic disorders, birth defects, accident, infection or the impact of poverty, deprivation or social exclusion, need help and care.

The last decade saw firstly consistent and marked improvement in welfare and the service provision for children with disabilities and handicap, initially as result of the interest shown by the officials and politicians of the European Union, who required as a priority, change and improvements in paediatric care and welfare, prior to entry, membership and integration within the European Union. The introduction of legislation and changes in service provision and care vastly improved child welfare and medical care however much of the improvement seems to have been cosmetic. With the initial Banking crisis, ongoing world financial crisis, the impact of the consequential fiscal measure to balance the budget, forced on Romania as result of heavy international borrowings, alleged corruption and the mismanagement of the economy, has seen child and welfare services radically reduced. The situation for the dependent poor has reverted in many cases to levels not seen since the early 1980s. Romania appears to be in a state of on-going economic and political crisis, which has effectively put back the clock for those in the greatest need.

That situation is made worse, by the fact that everyone involved is aware that services and care provision has been and should be better. The impact of the world financial crisis makes it increasingly difficult for the voluntary sector, particularly small charitable organisations funded by voluntary and good-will contributions, like Children in Distress or its sister organisation Copii in Dificultate, to continue to fund their work and a service provision now needed more that ever before.

The Board battle with the fact that demands for care services, across the residential hospices and community projects, has increased enormously in the last year. Donation funding has fallen as result of the financial crisis, although we see growth in income from Romanian sources much of that comes from the state where budgets are being slashed and welfare rights even for the most disabled reviewed.
The Board are mindful that we operate only through a very generous and loyal extended family of support, who over the years have generously given to make our care programmes possible and the success that they have always been. However, that loyal support base is aging and recruiting new supports is an ongoing challenge given media interest and focuses on the needs of other children in crisis across the Third World, where donation to other worthy causes perhaps a more interesting option.

Children in Distress has created a superb and experienced team who deliver the work of our palliative care, therapy, education and welfare programmes however retaining that expertise is crucial to our success. Some years ago, to help retain that expertise, it was decided to seek Romanian and European Union funding for projects, however that imposes an enormous administrative burden on our minuscule backroom administration and makes the team vulnerable to the whims of policy, and policy priorities. The Trustees also sought to strengthen the community based programmes through partnership with local authorities and charities with similar aims and objectives. There has been a drive to establish right and opportunity through advocacy and to share expertise through professional education, conferences, training workshops and placement programmes for medical, therapy and social work professionals and those involved in direct paediatric care. All of which has been exceptionally successful in extending the reach of the charity and in setting new standards in Romania.

The aim of Children in Distress has been to maximise the impact of the limited funds available and to see many of the projects move towards self-funding, such as St Andrew’s Hospice Pitesti and St Michael’s School Bucharest, or close to matched funding if at all possible. This has not been entirely achieved, however funding raised in Romania has remained stable at approximately 50% of costs and we have managed the cost base as effectively as possible both in the field and for the administration in the United Kingdom.

Planned quality improvements in services and care determined by the Charity’s Advisory Group bi-annual quality reviews have all been achieved. The target numbers of children in care by each project and the costs per child determined by the project business plans continue to be achieved.

Today the charity has some 2496 infants and children in direct care, residential and community based programmes. Our successful mix of high quality palliative and intensive nursing and individually tailored multiple therapy programmes continues to deliver spectacular improvements in the condition of the children in our care. Our community based social care programmes including the ‘Christmas Love in a Box’ project offers practical material support to a further 7985 children from deprived rural and urban areas whose families exist on subsistence incomes. Helped primarily by the contributions from members of the Handcrafters’ Guild well over ten thousand infants and children have benefitted from the charity’s “Well and Warm” programme receiving medication vitamins, hand knitted warm winter woollies and blankets, and hundreds of others have benefitted from donated medical equipment and mobility aids made available though generous donations in the UK.

We record our appreciation of the help and assistance of all of those who give others their time to advance the quality care and the services the charity is able to provide. We record our sincere thanks to the staff and volunteers of Children in Distress and Copii in Dificultate for their hard work and dedication, to the Trustees for their commitment and, above all, to our donors and supporters who enable our vital work and mission to continue.
We Believe

Children in Distress and its mission of care and its achievements were celebrated at Ely Cathedral led by Lord Hope of Thornes who was instrumental in the foundation of Romanian Children’s Aid from which our mission was born. Its pioneering work has been recognised for its excellence and each year we continue to change lives and allow children to maximise their potential, whatever that may be. Despite the continuing challenges, lack of funding provision, each of our projects is a beacon of hope for a better future for the terminally ill, the sick, the frail, those who are less abled, the poor and the socially excluded. Our highly trained professional care staff proves that professionalism, tender loving care and kindness to others delivers a dividend greater than any other, albeit delivered on a shoestring. Each day they live and deliver our belief that children, whatever their condition, have the right to develop, improve and maximise their potential for a meaningful life.

Children in Distress continues to strive for excellence in care and its commitment to helping to shape and improve lives in ways that are contemporary and socially relevant in areas of our expertise and excellence.

- Hospice based Palliative, Respite and End of Life Care
- Child Development through Multiple Therapy
- Education and Development for those with Autistic Spectrum Disorders
- Advocacy and Support for the Poor and Socially Excluded
- Social Welfare and Support Programmes

The Board comprises volunteers, who since the initial foundation of Romanian Children’s Aid have given freely of their time to make our vision a reality. Sir Neil Thorne has been at the heart of the charity from the first initial discussions setting in motion our first convoys of aid in 1989, offering sage guidance and support. It was therefore felt appropriate on our twenty-first anniversary celebrations to acknowledge our debt of gratitude to him for his help and commitment. The Board acknowledge and records with gratitude the leadership and good counsel he has provided over many years. Therefore at the service of thanksgiving held in Ely Cathedral in 2011 announced his appointment to the role of Honorary President of the Charity

We welcome you to the Children in Distress 2010/11 Annual Report and Financial Statement.

Canon Christopher Samuels
Chairman of Trustees

Alisdair Barron MBE
Chief Executive
BOARD REPORT

The Board present their annual report and audited financial statement for the year ended 30th September 2011.

Trust and Charitable Company Status

The charity is presently constituted as an international, non-political, not for profit charitable company and is governed by a declaration of trust signed in 1990, subsequently amended by a deed of trust in 1992 and incorporation document in 2010.

The Board have accepted the recommendation of the Charity Commissioners of England and Wales and have adopted a new memorandum and articles of association, which will allow the charity to be constituted as an incorporated charitable company limited by guarantee from the end of September 2011. The Trustees will then act as directors for the purposes of company law and the liability of the members in the event of the company being wound up is limited to £1.00.

Our Registration as a Charity

Children in Distress is a charity registered with the Charity Commissioners of England and Wales with charity registration number 1001327, and operating in Scotland is registered with the Scottish Charity Regulator, the Scottish registration is SCO 39383.

The newly incorporated charitable body continues to be registered as a charity with both the Charity Commission for England and Wales and the Office of the Charity Registrar in Scotland and to act entirely as a non-profit making organisation.

Our Structure, Governance and Management

The charity is overseen by the Board of Trustees, which comprises eleven non-executive Trustee/Directors, who serve without payment and all have, on a voluntary basis, foregone the reimbursement of UK travelling expenses. A few are funded by support group donations or subsequently make personal donations covering their costs. However, it is acknowledged that those acting for Copii in Dificultate as project consultants, medical advisors or charity training consultants may opt to be partially reimbursed for travel expenses and accommodation in this capacity.

The Directors meet five times each year for board meetings and also meet on other occasions as required, and frequently use the immediacy of ICT to communicate to review strategy and performance with other members of the Board, the Chief Executive, administration and project management team in the field.

Directors are normally elected to serve for a three-year period and may be reselected for further terms of three years. Members of the Board, interview and recruit new directors and appoint where candidates demonstrate the necessary skills identified by the Board’s periodic skills audit, who clearly compliment existing expertise and can positively benefit the charity’s operation and future development. Once appointed Directors are given a comprehensive induction and provided with all the information they require to fulfil their role including best practice guidelines on the role of trustees and charity law. All of the existing Directors have served three years or more and have long experience of being a charity trustee.

Members of the Board receive comprehensive financial statements and management reports and full Board papers are circulated in sufficient time before Board meetings. Further papers and information are available to all Directors on request. Board papers include minutes of committee and sub-committee meetings and the chair of each committee is normally available to offer a verbal report on committee proceedings at the full Board
meeting Individual non-executive Directors are allocated responsibility for monitoring aspects of the charity’s activity in specific operational areas, acting as chair or participating in subcommittees of the Board. The main board authorises all key expenditures and the Board’s Management Group meets or is consulted as required. The designated board sub-groups meet at least quarterly to co-ordinate and review the performance of the charity in their designated area of expertise. Each board sub-committee reports points for action as a regular part of the board meeting agenda and each committee and sub committee has its decisions ratified by the full Board.

The Corporate Finance, Information Technology and Audit Group reviews accounting principles, policies and practices adopted in the annual accounts and discusses with the auditors the result and scope of the audit. The members review the performance of the finance systems and the performance of the auditors. The committee meets at least once a year and the Chief Executive and accountant are ex-officio members.

Responsibility for certain matters is delegated to other Board committees:

- Board Management Group
- Finance, IT and Audit Group
- Governance and Legal Advisory Group
- Advisory Group, Retail Advisory Group and Fundraising and PR Groups

**Statement of Directors’ Responsibilities**

The Directors, mindful of their responsibilities, are required to prepare financial statements for each financial year, which give a true and fair view of the affairs of the charity and the excess of income over expenditure for that period.

In the preparation of these accounts, the Directors have:

- Selected suitable accounting policies and then applied them.
- Made judgements and estimates that are reasonable and prudent.
- Safeguarded the assets of the charity and made every effort to prevent and detect fraud and other irregularities.
- Stated whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements.
- Prepared the financial statement on the going concern basis unless it was inappropriate to presume that the charity will continue its activities.
- Given approval of the charity’s strategy, business plan and activity consistent with its charitable objectives, capital expenditure and financial statements.
- Pursued the appointment and membership of an appropriately skilled Board.

The Trustees confirm that appropriate polices and internal control procedures are in place in order to provide reasonable but not absolute assurance against material miss-statement or loss. These include:

- Comprehensive financial policies, practices and procedures, which are kept under constant review.
- An annual qualitative comparison of our procedure against the internal controls self-checklist for charities.
- A minimum twice-yearly internal audit of cash handling and other financial procedures within the office administration,
- Comprehensive system of annual budgets approved by Trustees and quarterly financial reporting of actual against budget.
- Regular forecasting of predicted budget and cash flow.
- Monthly monitoring of income, cash and reserves and periodic review of the reserves policy.
- Periodic review of the charity’s risk registers.
The charity’s Chief Executive, when the Board is not in session, has direct access for advice to the Chair of the Board and the Board’s Management Group; he is responsible for the day-to-day management of the charity and manages the staff on behalf of the Directors. He is also the secretary to the board.

The charity has its principal office in Glasgow and has an overseas office in Bucharest. The charity has a number of key partner organisations with which it co-operates to deliver its programmes. These partners are identified and discussed in the report.

The charity continues to work closely on a range of initiatives with the Romanian National Authority for the Protection of Rights of the Child and The Family, the office of the Romanian Prime Minister, the Ministries of Education, Health and Labour and the Family; Her Majesty’s Ambassador to Romania, the British Embassy and other NGOs in the same spheres of operations.

The charity and its staff continue to advocate best practice, promote social welfare and civil society, co-ordinate effective activity and effort and to influence longer-term strategies to improve paediatric care the rights of those with disabilities and relieve poverty in the countries in which we work.

The charity raises funds through donor appeals, operates an e-bay charitable trading account, and operates three charity thrift shops operated as a wholly owned trading operation. The thrift shops sell donated second hand goods and equipment offered by the public and quality clothing and goods donated by manufacturers and retailers. The shops in Guisborough, Kirkbymoorside and Shildon provide a base from which to publicise the work of the charity and collect donations, whilst returning a positive benefit to their local community. Further details of the trading of the thrift shops are set out elsewhere in the report.

**Risk Management and Assessment**

The Trustees review, as required, the major risks under headings of Governance and Management, Operations, Financial, Environmental/External Factors and Compliance with Law and Regulations, which the charity faces both within the UK and in the field of operations. All significant activities are subject to a risk review as part of any initial project assessment. An ‘At Risk’ Register was compiled using guidance provided by the Charities Commission. The resulting risks were assessed and ranked as to likelihood and impact.

For the charity, major risks are seen as those that have significant effect on:

- Operational performance including donation funding, staff and volunteer risks,
- The achievement of aims and objectives,
- Meeting the needs, care and protection of the children in our care and the expectations of our current or future supporter base.

The Board review and rank the risks on a regular and ongoing basis and have satisfied themselves that existing or new control systems were then identified to mitigate each of these risks and were documented in the risk register. Members constantly examine all operational and business risks faced by the charity and confirm that they have established systems to mitigate the significant risks the charity is working towards adequate control actions and monitoring processes that will mitigate our exposure to major risks. Where appropriate and deemed affordable, risks have been covered by insurance. The Board recognises that in some areas of the charity’s work, there has to be an acceptance and prudent management of risk to achieve the charity’s stated aims and objectives.
The Directors bring independent judgement to bear in the issues of strategy, performance, key appointments and policies and have in mind an ethos that is central to ensuring adequate risk assurance.

- Regular monitoring of key risks and the development of flexible action plans
- Risk identification and assessment is inherent in the operational procedures
- A clear structure of delegated control
- Regular review of key systems and procedures through internal audit
- Maintaining reserves in line with policy
- Regular reporting on risk management to the Board.

Maria Iancu
St Margaret’s Hospice

Maria Iancu was brought to St Margaret’s Hospice when she was only three months. When she came here, weighing only 5lbs 6ozs and previously diagnosed with a severe posterior parietal encephalocele. She was born the previous June and was abandoned in hospital the next day. Her mother and partner were asked to register the birth but had refused. They had lived together but had recently been evicted and according to Maria’s dad, after the birth, mum had simply disappeared. The Child Protection Department of Bucharest Sector 2 asked to place Maria in the hospice emergency bed. As a beautiful baby left alone, she touched the hearts of all the staff, the more so as her bright little eyes stared back intently at everyone, particularly Sister Casiana who was moved to baptize her, there and then and now she has a strong spiritual bond with Maria as her godmother.

After comprehensive tests at the Victor Gomoiu Hospital, a neurological surgeon from Marie Curie Hospital for Children decided to operate; the surgery lasted nearly three hours and was a complete success. Since, she has had regular monthly checkups and her doctors are hopeful that her recuperation will be complete. Maria is a lovely child, who is already spoon-fed. She prattles away and although there is a definite weakness in her right side, she has good posture and has started to take her first steps using a toddler’s walker the therapy staff found for her. She uses her cot bars and her own strength to sit upright, bright and awake during the afternoon naps and dazzles everyone around with her bright eyes and joyous smiles; she has also passed each of her development milestones. Maria is now getting increasingly independent using her walker, she was very wary at first and not very happy about not holding on to helping hands, which were normally always around. However once she realised she was able to escape by using the walker, she was more than happy to give it a go. The metal gates to the sensory garden at St Margaret’s Hospice now have to be firmly closed or the hospice will have a little absconder. Maria has come through critical neurosurgery to achieve a degree of independence and shows signs of normal development, however her hospice care team knows they have a great deal of work still to do.
ACTIVITY REPORT

The Context in Which Children in Distress Delivers “Help, Hope and Hospice Care”

Romania is a country in continuing economic, political and social crisis. That it remains one of the poorest countries in Eastern Europe only exacerbated the financial crisis brought about by excessive international borrowings and mismanagement of the economy has brought austerity and rapidly worsening conditions. Political instability has brought about street demonstrations and the fall of four successive governments and there are parliamentary moves to suspend and replace the President before the end of his elected term for maladministration. Organised labour has resorted to regular and wide spread strike action in defence of employment and members’ living standards. Emigration across all levels of society is at an all time record. International Monetary Fund inspired fiscal measures have seen radical cuts to welfare services and support, with the poor, the aged and those with disabilities suffering most. The most recent draft social welfare legislation indicates that future state finance will only partially cover service costs for people with disabilities, the homeless and victims of domestic violence; 60% of care costs for children and families and 50% of care costs for the elderly and finally 30% of welfare costs for other social services.

Hospice based Palliative, Respite and End of Life Care

St Laurence Hospice and Independent Centre, Cernavoda

Children in Distress pioneered the opening of paediatric hospices in the Balkans with the opening of St Laurence, Cernavoda, initially for infants and children touched by HIV and AIDS. Initially volunteer nurses provided the care together with carers from the United Kingdom since local professional staff were only of the symptoms and having no known diagnosis were too frightened to offer the children the love and care they needed. The volunteer nurses and care staff faced the continuing care and loss of children who came to the hospice with almost no hope for life. However, in the early 1990s Children in Distress working with the Baylor Clinic pioneered the introduction of antiretroviral medication for children and the life expectancy increased almost immediately. Today of the over four hundred or so infants and children who came to Cernavoda some forty-five live either in independent living in the former volunteer nurses’ homes or at home in their local community having found, with help of CID staff, the parents or relatives who once abandoned them. Children in Distress are fortunate that we now have young people who have found or are finding a normal future, with adult relationships and there are infants and children of our “children”, who thrive and prosper as result of the dedication, nursing and care, parents, and who were given by the volunteers the chance of life.

The housing at St Laurence suffered considerable damage from the exceptionally severe winter freeze of 2009/2010 and the internal damage to heating systems, electrical wiring fixtures and fittings was considerable. However with the help of matched grant funding from Rotary International all the facilities were made good over the last year. We acknowledge with grateful thanks the initiative of the membership of Chester Rotary and the support of the Rotary Club Pontus Euxinus, Constanta.
St Margaret’s Hospice and Children’s Centre, Bucharest.

The success of St Laurence led to the opening of St Margaret’s Bucharest initially as a street children’s project led to the development of a residential unit for infants and children with short life expectancy as result of accident, infection, birth, developmental or genetic malformations. The hospice has an enviable reputation for its respite, palliative and end of life care dealing with the most severe cases and its nurses are perhaps the best-trained and experienced paediatric nurses in Romania. The Hospice has fifteen beds all with multiple waiting lists. The Hospice has been home to well over one hundred children since opening its doors. Some have recovered sufficiently to return to family care, a few to local authority care, however many have been called home, after a period of loving sheltered care and died surrounded by those who cared for them.

The team at St Margaret’s have faced a number of challenges not experienced by other centres and arising primarily from the financial crisis that grips Romania and the malaise of uncertainty that currently impacts on local authorities and their welfare services.

In 2010, the Government announced new spending priorities and the introduction of a Social Assistance Bill that reviewed the funding systems for existing services. A period of uncertainty followed throughout which the Child Protection Department of Sector 2 was unable to fund or contract care. Although acknowledging the need for St Margaret’s Hospice care facilities it was unable to provide funds for children already placed or those seeking bed placements as a matter of urgency.

This placed enormous strain on an already stretched fund and budget provision. Contracts were exchanged after a six-month delay; however, senior officials in Sector 2 Child Protection remain uncommitted as to future funding or service requirements. These payments represent payments enshrined in law for a child requiring high intensity personal care and do not cover the majority of care and therapy service available at St Margaret’s that are provided without charge.

Coincidentally, when contract negotiations were going on officials of the Sector’s local taxation department rescinded a previous longstanding charitable tax exemption citing the selfsame contract payments as income, which negated the exemption on local taxes for the children’s care services site.

The ensuing legal action has resulted in a stay of execution of tax charges and penalties pending resolution in the Bucharest Tribunal. The lower courts, having found in favour of the charity at two previous hearings, the local authority seeking to intimidate and apply pressure separately froze the Charity’s bank accounts, which was rescinded after further court orders. Without prejudice, the charity has on legal advice, paid approximately £12,000 in assessed tax to prevent the accrual of further penalties. The first hearing of the appeal is scheduled for early December 2011. In the event of the Court finding for the charity the local authority will refund all funds already paid.

These actions divert the attention of the very small administrative team from the essential daily work of caring for terminally and incurably ill children.
St Margaret’s Hospice

Carmela Giovana Serban or Nurse Carmela as she is affectionately known graduated from the “Carol Davila” Medical College with a qualified nursing diploma in 1998. She initially worked at Colentina Hospital, as a qualified nurse at the Infectious Diseases Unit, which she left to join Children in Distress, then just setting up a hospice within what has become St Margaret’s Complex of Child Care Service in Bucharest. She is one of the longest serving members of our very dedicated nursing team. Since joining in December 2000, Nurse Carmela has undertaken continuous professional development, taking a range of different medical and nursing courses. In 2001, she studied Palliative Care; 2004 Sanitary Hygiene; 2008 Special Care for Disabled Children, always preparing her skills to deliver the best possible care to the special care needs children within the wards at St Margaret’s.

In 2010 when she achieved her senior nursing qualification Carmel was appointed the Hospice’s Head Nurse however despite work and bring up her daughter she still fits in time to continue her studies, most recently on a course on ‘The Metabolic Syndrome of the Central Nervous System’.

As Head Nurse, Carmela leads the nursing and maternal assailant care team, leading by example; she does an exceptional job setting the highest professional care standards whilst offering exceptional love and attention to the children in her care. She is exceptionally dedicated to the children and loves every one of them. Some of them, like Darius, have even started to call her “mummy”. She works hard, has a superb relationship with her nurses and the support staff, all to assure that the children’s well-being is constant.
St Christopher’s Curtea De Arges

The success of St Margaret’s and demand for care led to the opening of St Christopher’s Hospice in a rural setting in Arges County. This came to specialise in the care of infants with untreated hydrocephalus and developed a system of care that managed the condition for those who had not received shunt operations or were regarded as inoperable. Years of CID funded operations and comparative success in rehabilitation of infants and children with hydrocephalus and spina bifida meant that the service needed new and better planned facilities and the hospice relocated to St Andrews Hospice in Pitesti, the third largest city in Romania. St Christopher’s was converted into a sheltered holiday centre and now serves the children of its local community with education and welfare programmes.

In the past year the POSDRU community educational services provided by our team, at St Christopher’s on a daily basis increased the number of beneficiaries from 20 to 60. These extra tuition activities are provided in order to avoid school refusal and truancy for the children in the community of nearby Curtea de Arges.

The program had real success in the partnership schools. School principals have consistently congratulated CID’s team for the work done, admitting that the children have seen a real and significant improvement in their school performances.

St Andrew’s Hospice and Children’s Care Services Complex, Pitesti

Housed in a completely redeveloped former school for the deaf St Andrew’s Hospice is unique in being jointly funded and fully integrated in the social care service of the local county Child Protection Department. A beacon project that demonstrates quality of care and offers a complete range of welfare services in addition to its role as a hospice. The residential unit has some sixteen beds and has over the last ten years delivered both the best in palliative care and the rehabilitation and development opportunities for children with severe physical, educational and developmental handicaps.

The building was specifically designed to offer separate access to children excluded from state schools by reason of HIV and to those with physical disability access to education and training. The centre also offers a range of integrated community based outreach services and offers a peripatetic therapy, child development and psychological counselling service from a base within the compound and available across the rural areas of the County.

St Andrew’s is fully integrated into the Child Protection Services provided by Arges County Council and it supplies a number of professional services including the provision of medical consultancy. In 2010, a new consultant paediatrician was appointed who reverted to treatment and medication techniques that caused considerable concern to medical and care staff at St Andrew’s, Advisory Group’s Audit team members and the Children in Distress Directors. This appointment was reviewed and the Board welcome the agreement of Arges County Council to the re-appointment of Dr. Antoaneta Petcov.
St Nicholas’ Child Development Centre

Razvan Tudorache is a speech therapist with a nine experience working with children with special educational needs. A graduate of the Faculty of Psychology and Science of Education of the University of Bucharest he completed his Masters degree in the Arts Faculty at the same University, specializing in therapy of speech and language disorders. Razvan’s diploma thesis “The therapy of severe phonological speech disorder using <<Ortophasis>> experimental therapy program” was published in one of University’s specialist publications the Review of Psycho-Pedagogy in 2010. It was also presented to the National Symposium in Iaşi later that year. The National College of Psychologists of Romania also granted him recognition as a specialist in problems of special psycho-pedagogy.

Razvan then worked two years as an accredited specialist in the education of children with special needs, in the public education system in the United States, in Orangeburg, South Carolina. On returning to Romania, he joined the team at St Nicolas Child Development centre and for two years, he coordinated the multi-therapy team attached to St Margaret’s Complex of Child Care Services in Bucharest. Over the last six years he has been lead speech therapist at the “Saint Nicholas” CDC working with children between the ages of 3 and 18. He evaluates, develops and applies individually tailored therapeutic programmes for the children referred to the Centre, who have one or more problems in speech, language, communication, or the cognitive operations and functions that support and maintain the development of language.

His degree of specialization and professional expertise dealing with well over 1000 therapy sessions annually allows him to apply and combine in an innovative and functional manner a variety of methods and techniques used in therapy for children with speech and language disorders. Razvan works closely with other therapists in the centre’s multidisciplinary team but primarily with parents and the other specialists and educators involved in the rehabilitation and development of his young patients.

Razvan works with commitment, passion and responsibility, his professional results recommend him as an exceptional professional and leading specialist in paediatric speech disorder therapy.
Child Development through Multiple Therapies

St Nicholas’ Child Development Centres Bucharest and Pitesti

Arising from the need for therapy services for children resident within the hospice, and the demand for an individually tailored programme of child development services was identified and the first of two St Nicolas Child Development Centres opened some seven years ago. Offering a range of services designed to allow a child with developmental need the opportunity to maximise their potential and be the best that they can be. General practitioners, paediatric specialists or hospital units, who are unable to offer parents or their children the hope for improvement in their child’s condition, refer children. Children are treated holistically and receive speech therapy, physiotherapy, counselling and treatment as required. Since opening its doors over one thousand children have seen significant improvement in their development, being able to independently walk, talk, communicate, eat, wash, dress, and toilet where previously their development was impaired and these essential activities were carried out by their carers.

The St Nicholas’ programmes and outcomes for children were so significantly successful that a second clinic and therapy unit was opened within the grounds of St Andrew’s Hospice in Pitesti. This now operates independently, but offers a wider range of in-house and community based services to those whose life condition and independence is impaired by accident, infection or physical or developmental challenges. Here too the outcomes have been exceptional and have changed lives both of patients and their families. The Pitesti service additionally offers individual counselling and support to parents (particularly mothers) dealing with the family and community stigma of having a child who is ‘different’.

The work is demanding and the team have problems holding on to staff of sufficient calibre. Many find the intense therapy commitment too great whilst others find alternative employment, which is less demanding, attractive. The service has also been hampered over the last year by severe winter weather conditions and the financial crisis which have both contributed to a slight reduction in the number of children being assessed.
St Michael’s School for Children with Autism

(Marius) Teodor Zamfir’s first degree is in engineering, however Doru, as he is known, decided that he was more suited to working with people and in particular children, so he studied for a second degree in psychology, from 2006 to 2009. Whilst at university Doru had a voluntary placement from September 2006 to July 2007, as a physical recovery specialist with the Association for Early Intervention in Autism, which started his interest in the challenge of autistic spectrum disorders in the young. When he joined Children in Distress, in 2007, Doru was sponsored on the Applied Behavioral Analysis (ABA) course organised by the charity.

With Children in Distress, he is both psychologist and project coordinator at St Michael’s School for Children with Autistic Spectrum Disorders. He counsels children referred to St Michael’s and their families and carries out initial and periodic psychological evaluations. He manages the administration, helps develop the child-centered therapy and teaching programmes with the other psychologists and teaching staff, coordinates and manages the activities of the team, supervises new employees and volunteers, co-ordinates all activity and manages the annual budget for Saint Michael’s.

Over the last two years, Doru Zamfir has worked exceptionally hard to make Saint Michael’s essentially self-financing. He and the other members of the therapy team participate at national and international conferences, congresses and seminars presenting papers and sharing expertise and experience in the education development and rehabilitation of children with Autistic Spectrum Disorders. As part of the Children in Distress commitment to advocacy, education and training Doru also organises conferences and seminars and workshops to help parents, professionals and families understand the challenges of autism. Doru is a truly dedicated and exceptionally capable professional committed to the aims, objectives and philosophy of Saint Michael’s and to the welfare of the children with ASD.
Education and Development for those with Autistic Spectrum Disorders

St Michael’s School for Children with Autistic Spectrum Disorders (ASD)

Arising from an original pilot programme operating with St Margaret’s Hospice, Bucharest, which Children in Distress and the European Union, St Michael’s School and Autism Centre jointly funded, now operates with the School of the Deaf in Bucharest’s Sector 1.

St Michael’s School has some ninety-one infants, children and young people in a range of classes, and in condition, diagnosis, assessment and review and community based services. The majority come from across greater Bucharest however children are referred from six other counties across Romania; Braila, Constanta, Dambovita, Galati, Prahova and Vrancea. It operates the only truly independent assessment and review service in Romania. The staff advocated the application of Applied Behavioural Analysis (ABA) therapy and the use of Picture Exchange Communication Systems (PECS), Treatment, and Education of Autistic and related Communication handicapped Children (TEACHH) to promote communication of the profoundly autistic children of Romania.

This led to a series of annual international conferences, which educated the general public and medical, educational, and welfare professionals involved in the assessment care, and development of children living with the full spectrum of Autistic Spectrum disorders and empowered parents seeking help with their child’s condition.

In 2010/11, the School team helped set up the working party which drafted and piloted into law, legislation for the national education curriculum for children with autism and their rights to education and welfare service (the Charter for Persons with Autism) for those living with the condition. St Michael’s remains the only facility dedicated solely to the education, training and development of infants and children with ASD and has a superb reputation for its work. The team of psychologists and therapists and educators offer support to seven other parental led self-help and support groups across Romania and work closely with three key universities in the professional training and development of students and professional staff. St Michael’s remains the only centre in the Balkans accredited in the training in the use of ABA, TEACHH and PECS techniques,
Florin Leonard
A POSRU pupil who deserves a chance in life

Florin was eight when in December 2011 he first came into the POSDRU School’s programme at St Christopher’s Centre in Curtea De Arges. His family had lived in the nearby village of Cobeni-Oesti Ungureni in a happy loving home which was desperately hard up. To make ends meet and provide a better life for her children, his mother Elena had decided to seek work in Italy and had left Florin and his older brother and sister at home with their father. Sadly, his father’s health failed soon thereafter, he could not work to provide for this family, and then within weeks he was found dead. Over the next seven months, the kids managed to survive but were then devastated to find out that in Italy, whilst at work, their mother had suffered a massive heart attack and died before anything could be done. It seemed she simply could not cope with the stress of working away from her home and family.

The team from CID’s POSDRU project was called into help for Florin was struggling to come to terms with the loss of his parents and making heavy weather with school where he had become isolated and alone. Florin received a great deal of help from the multidisciplinary team who helped with bereavement counselling and in getting Florin who is a bright lad, back into school. They even helped, acting as intermediaries and advisors on the of legalities of the care service with the Social Work and Child Protection Departments, so that Florin’s older sister could become his legal guardian soon after she was married.

Sadly, even in his new home things have not been that easy for a lack of cash has forced his sister to seek a job abroad in Italy and then the family had to uproot and move to another village, which meant all the challenges of a new school. Fortunately, his new school was also involved in the POSDRU school project.

Florin now comes across as a normal well balanced young boy despite all the financial challenges he and his family face. He is still focused on the future and on school; he wants to get on in school and life and to help with his studies he hopes to have a computer. Perhaps more importantly to help him to get to his new school he needs bike. He also “wants it” so he can play like the other boys who are his neighbours.

The POSPDRU team will be there for Florin when he needs them after all he is a young lad who as they say “has eyes that have shed too may tears for one so young”.

CHILDREN IN DISTRESS UK ANNUAL REPORT & CONSOLIDATED FINANCIAL STATEMENT FOR THE FINANCIAL YEAR ENDING 30TH SEPTEMBER 2011
Advocacy and Support for the Poor and Socially Excluded

Programul Operational Sectorial pentru Dezvoltarea Resurselor Umane

POSDRU Programmes

Arising from an initial series of pilot programmes designed to rescue children from the streets the present POSDRU programme led by Children in Distress in conjunction with local authority partners offers schoolchildren at risk of truancy or early school abandonment the opportunity to work back into school and a future in and through education. This three-year programme is funded by the European Union and regarded as exceptionally successful, so much so that another five partner authorities and organisations wish to join and expand the schools should the next proposed five years of the plan allow it. Approximately three hundred children each year are involved and many have returned to school and with the additional tuition involved have gained access to the best schools on graduation. Another element of the program deals with the specific need of the Rroma population and the need to encourage education in both boys and girls as a means to improving literacy and the social standing of this minority group.

Social Welfare and Support Programmes

Christmas Shoebox Appeal

Since its first launch well over half a million children and senior citizens have benefitted from the generosity of donors in the United Kingdom and had the pleasure of the joy of a gift at Christmas. The gift boxes have gone mostly to the poorest of the poor, the forgotten and destitute or those in hospitals or institutions, across the Balkans, Eastern Europe and the Moldovan Republic.

Welfare Donations

Over the last ten years, each year some ten thousand children, young people and senior citizens have been given hand knitted sweaters, hats, gloves, scarves and knitted cot, pram or bed blankets to keep them warm in winter.

Innumerable other gifts of clothing have been distributed to destitute families and in emergency relief.

Medical Equipment, Mobility Aids, Medicines, Vitamins and Dressings

Due to the generosity of donors, over many years Children in Distress has been able to build clinics, kit out wards, supply beds and bedding and equipment, provide wheelchairs, mobility aids, computer systems, medication, drugs, vitamins, sterile dressings and a range medical equipment to change the lives of infants, children, adults and senior citizens when needed. The charity enjoyed an exceptional in-kind donation from A Vogel UK Limited and Bioforce UK, which was shipped and distributed to children across Romania and the Republic of Moldova.
Education and Training

In conjunction with our partner organisation Fund-a-Physio, Ely and a host of volunteers, doctors, therapists, nurses, psychologists, teachers and lecturers both here in the UK and in Romania, Children in Distress has been able to empower students and change the attitudes of care staff to deliver the best possible care and current best practice. The sharing of experience of our work through insight training and practical workshops training events and conferences presenting our mission has been significant in improving medical teaching and the delivery of care services for children throughout Romania and in changing the attitude and approach of those caring for them.

Professional Students Practical Work Experience and Access training

Last year in association with three key universities and a number of local authorities Children in Distress brokered and agreed an educational training protocol offering over the next three years two thousand psychology, physiotherapy and social work students access to practical work experience as part of their education and training. The aim is to introduce insight and expertise to the education curriculum and improve the attitude and expectation of students entering professional treatment and care.
Public Benefit

In drafting this report the Board have considered the guidance from the Charity Commission for England and Wales on public benefit when reviewing the charity’s current aims and objectives, planning future activities and reviewing the grant making policies for the year ahead and have taken due regard to the issues of public benefit contained in the Charity’s Act 2006.

The Charity’s core activities for public benefit can be broadly defined as

- Palliative and respite care for infants and children with genetic or birth disorders or those touched by HIV/AIDS
- Paediatric Developmental Care for infants and children with disabilities arising from accident infection, genetic disorders or birth defects
- Advocacy Education and Training including public education and personal professional development and re-skilling
- Social Welfare and support mainly in poverty relief for families and children in direst need

These are delivered by medical nursing and care staff in the charity’s hospices and childcare services complexes or alternatively with and through partner organisations either through training services or grants provision. The work of our partner organisation is based on contract agreements, which are closely monitored, and quality audited in line with internal standards and particularly significant where the charity can promote the delivery of synergistic cost effective quality services without additional staff resources in other areas or sectors of the country. The audit teams of the Charity’s Advisory Group carry out annual audits and agreed care services are delivered against closely monitored objectives reported on a monthly basis, maximising the value to everyone involved.

Our Partners in Programmes

CID funded care is delivered in close partnership with Fund-a-Physio-for Children in Distress, Ely and through Copii in Dificultate and PositivPlus our main Romanian sister foundations and four other strategic partners; the Child Protection Department of Argeş County Council, Commune of Sarulesti, the Fundaţia Vasiliada and St Macrina’s Centre. All of these partners are annually assessed and reviewed as having the compatible and comparable childcare aims, objectives and interests.

Children in Distress working with Copii in Dificultate is recognised as an innovator, provider and advocate of best practice and the highest standards of care. They remain the only NGOs invited by the Ministries of Education, Labour and Health and the National Authority for the Protection of Children’s Rights, to assist and implement the national curriculum for children with autism and care standards for children with disabilities.

Copii in Dificultate

This Romanian registers Foundation is one of the few NGOs recognised as a Romanian Service of National Utility. The CIDRO Foundation last year delivered professional courses leading to certification in Applied Behavioural Techniques, ABA for teachers from the Ministry of Education and therapists from the charity’s St Michael’s School for children with autism located in Bucharest. They also co-ordinate the workshop and professional work insights programme set up and agreed for students in psychology social work and therapy agreed with the Universities of Bucharest, Cluj and Timisoara. As the lead organisation in the POSDRU programme, the CISRO team carry the administrative burden of recording and reporting on a monthly basis the operation and achievements of this very successful project.
The complexities of the recording process added enormously to the workload of the small administration team. So comprehensive and well controlled has been their administration it has been acknowledged as one of the most efficient and effective and the degree of duplication and paper processing has consequently been reduced.

Once again, in this report year both complexes of services and all the projects of Copii in Dificultate were re-accredited and fully licensed by the Romanian Ministry of Labour, Family and Social Protection.

The CIDRO management team have been particularly active throughout this year seeking local funding to help provide and assist in funding projects and services and additional activities not funded directly by Children in Distress. We are pleased to include an outline of their achievements

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Figures for the period October 2010 - September 2011 in £ Sterling
PositivPlus

This Romanian registered Association, the partner and legacy programme of both Children in Distress and Copii in Dificultate, has had a relatively successful year in 2010-11. The Association was set up to care for young people reaching adulthood who as children were formerly in the care of Children in Distress funded or managed child welfare projects.

With all the necessary permits having been obtained and PositivPlus accredited and operational, the management of the St Laurence Independent living Centre in Cernavoda was finally fully transferred to PositivPlus. New agreements are now in place with the Social Protection Departments of Giurgiu County and Cernavoda Town Hall, which in the near future should see the PositivPlus St Laurence project fully self-financing. With a small team of staff - one full time psychologist, a nurse and a part time accountant- PositivPlus assures quality services to 15 young adults currently in independent living at St. Laurence, Cernavoda.

These young residents have been assisted in retaining all statutory welfare benefits from the local and central authorities, and were actively encouraged to take responsibility for school and further education and their careers options and to manage day-to-day household issues.

Although the ‘body positive’ young adults involved have made sterling efforts to live independently they still require a degree of assistance, particularly in managing their HIV status and associated medical challenges as well as overcoming the challenges of de-institutionalisation. The Baylor Clinic in Constanta continued to monitor their conditions and carry out the necessary tests, establish and monitor their medication and care regime and assure as best they can the regular delivery of antiretroviral medication.

Sadly, education and achievement have never been a focus for the youngsters involved and their exam achievements at school were as good as hoped, three of the senior educational group failed to pass the final graduation exam.

In general, the medical condition of a number of the young people has continued to cause concern with inpatient assessments and changes in medication. PositivPlus staff have worked closely with the Child Protection Departments of Arad and Constanta Counties in two cases in particular where a continued psychiatric deterioration had led to a comprehensive psychiatric review and recommendations that both require a level of care, supervision and support that cannot be provided within the St Laurence independent living setting. The responsible Child Protection Authorities have agreed to seek accommodation that better meets the need of the young people involved. One of the residents was found an appropriate foster care family, and decided to leave St Laurence. Given the age and development of the young residents and changes in the assessment rule for welfare benefits introduced in 2011, one of the greatest challenges has been to find jobs, suitable work experience training or employment for the young people cared for by PositivPlus. The Association was offered promises of assistance by officials within Cernavoda Town administration. Unfortunately, nothing concrete has been achieved to date. Showing initiative, the young people approached local employers and companies, however they were not successful.
Fund-a-Physio, Ely

Fund-a-Physio, Ely is a volunteer support group and partner organisation that helps Children in Distress delivers its commitment to paediatric physiotherapy, child development therapy and continuing professional education. Primarily it provides financial support for the work of Mrs Alyth Hughes, CID’s Consultant Physiotherapist. Over the last year alone, Fund-a-Physio, Ely has sent Alyth Hughes to Romania four times despite substantial increases in both flight, and subsistence costs.

Since its foundation, this wonderful volunteer group have supported many exceptionally successful years of service and therapy care, deftly balancing fundraising and sponsoring the delivery of practical training and care for a number of young physiotherapy professionals and students. Funding is generated from a host of well-attended locally based activities and personal talks made to interested groups across Southern England. Their events are often supported by the Lantern Dance Group, the phenomenally successful Ely based PHAB dance group.

Our partners generously hosted the 21st Anniversary Service of Thanksgiving together with the Dean and Chapter of Ely Cathedral putting in place a range of other events, which made this service one of the most memorable for some time. The Board would like to express their thanks and appreciation to everyone involved particularly to their founding Chair, Juliette Tuplin who due to pressing family commitments has decided to resign. Juliette goes with our resounding thanks for all she helped achieve. Her successor, Gillian Hodge, takes up the baton to carry forward this story of success. Gillian was the Superintendent Physiotherapist at Addenbrookes Hospital, Cambridge and has a deep knowledge of all things therapeutic. The team are already planning a twelve-month programme of fundraising activities and projects for support.

Christmas Shoebox Campaign 2010 “Love in a Box” Organising Group

The trustees acknowledge the achievements of the Christmas Shoebox team who once again made sure that over seven thousand five hundred of the poorest of Europe’s children were not forgotten at Christmas. The volunteers group with the active support of the charity’s management team started the collection campaign earlier and Mission Relief the charity’s logistic partner collected and delivered for onward in-country distribution some 7598 boxes before Christmas 2010. In addition, the transport carried an additional and exceptional load of boxes of donated goods with a consequential saving on logistic costs.

Individual donors, schools, local businesses, Rotary and Lions Clubs throughout the United Kingdom were involved in this exceptional project. This initiative generated £8000 to fund additional related projects. However, the actual donations and contributions generated by the team included many thousands of pounds of gifts in-kind, donated by way of warehouse space, transport vehicles and fuel, these exceptional gifts of in-kind donations from a range of commercial sponsors all of which, if not donated without cost, would have cost well in excess of £24,000.
Teo
A child with autism, as scripted by his mother

Teo is now nearly eight years old, happy, healthy and seemingly almost normal but, at age three, we were told he was suffering from a delay in language development. We religiously gave him the prescribed medication but there was no improvement. We sought a second opinion and were told by the doctors at Alexandru Obregia Hospital that our son has ‘other issues’ and Autistic Spectrum Disorder (ASD) was first mentioned. We knew little or nothing about Autism, but since then we have been devouring books and researching for information where even we can.

After an assessment, Teo started Applied Behavioural Analysis (ABA) therapy at CID’s St Michael’s School when he was five; after the first year we could chart progress, spectacular for us if perhaps only average for other children. The pleasure when he learns another new word, the relief when he uses a sentence and the joy when he learns a poem.

It has been an ongoing struggle, both financially and socially, and then there was the strain of the constant question, “Why us?” However, we have given up all the questioning and self-doubt and now only ask, “What can we do to help Teo?” We are fortunate. With the team at St Michael’s, we know we are not isolated or alone. There is always someone to run to for guidance, support and care. We are fortunate for there are no other specialist State institutions like St Michael’s in Romania, so we know that Teo’s future is uncertain which is why we continue to struggle on, confident in his potential and that his situation will improve.

In the last two years, Teo has gone to a state kindergarten, albeit accompanied by a therapist, in order for him to integrate socially without constant monitoring or therapy. He now attends 1st grade classes at a normal school and he gets along pretty well.

We have been forced to become specialists in dealing with an autistic child; we still struggle to seek financial support (as our family income is limited) and we still face staggering ignorance from specialists about Autism. Especially when they ask “how long has it been since Teo lost his hearing?” We continue to fight for his recovery and his acceptance within society. A society that, we believe, can still be supportive and understanding. We just thank God that CID St Michael’s and its team of specialists are still there to offer help, hope and continuing encouragement.
Achievements and Performance

The charity evaluates its performance in terms of

- The continuous quality improvement targets indentified by the bi-annual external audit process supported by medical members of the Advisory Group;
- The achievement of project targets outlined in their action plans including the targeted numbers of children touched by project activity and lives sustained or improved in each project;
- A continued improvement in the quality of care, sustained by the personal professional development and training plan for all staff;
- Its commitment to implementing new practice and procedures;
- A number of key financial indicators and targets determined as part of the annual baseline project and charity wide budget process.
- Achievement of individual project achievement targets set as part of the performance appraisal process.

With respect to the increasing number of children touched by the work of the charity, there has been a clear and sustainable increase in lives improved as individual programmes were developed or expanded to meet newly identified needs.

Achievements 2011

For Children in Distress In addition to the loyal support of many donors the charity’s continued operation has been effected though sound management and prudent administration of its finances and those of Copii in Dificultate.

Copii in Dificultate has operated exceptionally well however also faced and overcame a number of challenges

- Funds instability from Child Protection Department;
- Resignation of existing specialized staff negatively impact on the quality of services;
- Difficulties in recruiting good, professional, qualified staff;
- The changes occurred in child protection legislation at the end of 2011; and
- The lack of an agreed Romanian national system for monitoring standards of services in accordance with new legislation.

The Romanian Foundation has had a number of significant successes throughout the report year

- Partnership with University of Social assistance and Sociology and Schools of Psychology and Physiotherapy to provide practical work experience for students in psychology, social work and physiotherapy;
- Increasing number of young volunteers from different parishes and universities;
- The participation of therapists from St. Michael’s School and a range of different National Conferences, Public Debates and Workshops as keynote speakers;
- CIDRo is one of very a very few organisations, which provide services, particularly residential care for profoundly disabled children.
Future Plans 2011-2012

The Charity has the following ambitions for the year ahead

- To obtain European Funds for a range of other projects;
- To obtain ‘Trainer of Trainer’ accreditation for the Charity and its therapist, in order to deliver training and services to other specialists from different institutions and NGOs.
- To lead a partnership training programme in association with a further twenty NGOs backed by grant aided funds, to develop organisational capacity amongst the participating NGOs and promote innovative service for children.
Financial Review

Our Income & Expenditure

The Board have a fundraising strategy, which is increasingly open to trust and grant income and aims as a priority to move the charity over the next three years to a situation where it is consequently less dependent on personal one off donations to sustain its work. However, this is tempered by the current financial situation and the realities of donation funding.

They have also determined that the Charity should diversify its income base and for this reason has continued the role of part time Funding Development Manager for Scotland and Northern Ireland based within the charity offices, targeted to develop the charity’s applications to Grant Making Bodies and Trusts. The home based Funding Development Manager Northern England will continue to focus on both regional and local fundraising, retail and e-commerce opportunities and the development of a network of volunteer support in the year ahead.

During the reported year, the charity raised almost £786,165 from individual donors, Grant making Trusts and Corporate donations and through its thrift shops and commercial trading activities. All of this income and funds from the cash reserves were used in the current year.

As reported, very little of the income was regarded as restricted funds for particular projects and will be dispersed to those projects in the financial year ahead. We record that project support costs were contained reflecting the growth of the donation contributions in Romania, increasing grant aid and project support from European Union funds and Romanian national and local government agencies.

The thrift shops performed strongly in trading terms and donations of goods held up well so they therefore increased their contribution to the charity, their input is now only marginally short of the reported comparable UK charity shop contribution. A new Retail Advisory Group has been set up and an action plan, which is already addressing this slight underperformance and the Board accept that the shops provide a well of goodwill and a much needed if limited presence on the high street. A tangible benefit is that they offer the communities in which they operate a social service and support otherwise not available.

Volunteers continue to be the mainstay of the shop operation and we are proactive in their personal training and development.

Our fundraising activities are continuously undertaken both to encourage donations and to attract interest in legacies. The cost of all aspects of fundraising have risen by 8% which represents the added costs of campaigns and a new legacy gift campaign which has had immediate impact and a substantial response in the first few months of the next financial year. The added costs also included investment in printing and development costs for the new ‘Gifts from the Heart Appeal’, which will provide catalogues for the next two years.

The international value of sterling fluctuated throughout the reported year accordingly the charity managed exchange rate revaluations from 4.5-5.5lei to the pound sterling. However, we have managed the impact on transfer costs.
In Kind Donations

This year, we record with grateful thanks an unprecedented level of corporate and individual in-kind donations. We record our appreciation for all these gifts ranging from thousands of hand knitted goods to essential vitamins, medical and therapy equipment.

The generosity of schools, individuals and corporate donors allowed us to provide, in addition to basic school equipment, for schoolchildren in the poorest rural areas of Romania. In-kind donations also made it possible to ship and distribute an exceptional range of essential but otherwise unavailable therapy equipment, wheelchairs and mobility aids.

The Handcrafters’ Guild has mobilised the grounds well of good will and kindness amongst handcrafters groups and individuals across the county who are willing to offer a range of knitted and hand produced goods for shipment to children and families in need and to help generate much needed funds.

Donor Income Development

To develop the charity’s family of support and increase the donor support base the Board took a positive decision to revert to the more traditional direct person-to-person contact through those church and related organisations that have supported the work of the charity so well in the past.

In the North of England this has been supported by a comprehensive programme of talks and presentations which has successfully generated increasing interest in recent strategically placed appeal advertising and a general and increasing online interest in the charity’s website www.childrenindistress.org

Thank You to our Volunteers

For some years the Board have debated how best to record the exceptional contribution that volunteers make to the work of the charity and without which this charity would never thrive. We have considered but rejected trying to value in monetary terms the contribution volunteers make, having found that both difficult and inappropriate. We therefore record the hours of selfless work time donated in our thrift shops; in promoting the charity in churches, chapels, schools and colleges across the UK; in all aspects of our Christmas “Love in a Box” and other special appeals; in medical, nursing and therapy guidance, advice and assessment; in teaching and training and generally making this little charity the powerhouse of care that it has become.

Specifically, with regard to the advocacy, education, training, personal professional development aspect of our work particularly in Romania, we particularly record our appreciation of the exceptional support in time donated by medical consultants, specialists, therapist and educationalists as part of the conferences and training workshops programmes delivered by the charity throughout the year.

We have calculated that volunteers have had generously donated over 26,500 volunteer hours, of being there to help which equates to attendance 24/7 for 3 years of volunteering. This contributed greatly to the success of our mission of care this year and which would have been far beyond the means of so small a charity if funds had been required to cover the assessable costs.
The Children in Distress Handcrafters’ Guild

The Children in Distress Handcrafters’ Guild was founded in September 2010 in the hope of bringing together all CID’s “crafty” supporters. There are 121 registered members, although in reality there are many more members because in many cases one person will register on behalf of a group of knitters. There has also been a favourable response to the recent article in Vision for members and knitters and Jane Russell is awaiting the return of many application forms requested by supporters.

Members receive a bi-monthly newsletter with news of other members and events, patterns, occasional discounted offers of craft materials and other relevant articles.

In the Guild’s first year, members supplied 9,840 items of knitting, crocheting and sewing for the children in Romania. They are also very proactive in supplying goods to sell at fundraising events held in Bucharest as well as in the UK. Members have most recently supplied an array of goods to be sold at the Easter Bazaar in Bucharest and at present are busy working on items to be sold at the Gift and Food Fair to be held in Ely Cathedral in November. One group of knitters is also working on a Knitted Garden to be exhibited on Children in Distress Day in October and then to be sold the proceeds going to the charity.

Thrift Shop and Commercial Activities

The key commercial activity of the charity focuses on the three thrift shops where volunteer staff led by a staff manger continues to raise local financial support and generate interest in our work. The thrift shops also play active roles in their Guisborough, Kirkbymoorside and Shildon communities offering value for money support to those living on a limited income in straightened times. For the thrift shops, it has been a very encouraging trading year, since with the economic crisis has come an increased footfall. There have also been a number staffing changes and increasing competition in their high street; however all the shops have benefitted from continued strong stock donations. All of which continues to make a significant impact on the trading viability and returns. The Shildon shop causes concern, where the depression in the local economy has led to desertion of the high street.

The performance of each of the shops is closely monitored and the hard work of managers and volunteers is greatly appreciated.

An Advisory Group has been set up to plan the growth and develop the fortunes of thrift shop trading and online commerce and the Directors particularly record their grateful thanks to the thrift shop managers and their volunteer teams who continue to make the shops economically viable.

The charity has also had some limited success in e-commerce with Christmas card sales and the charity’s ‘Gifts from the Heart’ gift catalogue all of which have made their contribution to funding the development of additional social care services. The Directors will continue to encourage enterprise and a range of innovative commercial initiatives where they can with limited risk foster funding streams.
Investment

With limited funds available, the policy of the charity is to prudently maximise direct charitable expenditure whilst paying due regard to the development of an effective operational reserve. The Board are resolved therefore to prudently invest income in relatively accessible short to medium term investment accounts, which offer respectable investment rate returns. Regrettably, the charity has never held the excess fund to allow for the share and bond investment strategy developed by their advisors. Accordingly, the charity does not hold stocks, shares or bond capital reserves and retains the unrestricted cash reserve funds in short flexible term investment accounts. The charity has also seldom been able to hold large reserves of cash on account.

We regret to record that, because of capital investment and capital investment in the Romanian estate and additional activity across a range of initiatives, the reserves held on account have decreased significantly.

Although not part of the Children in Distress operational reserve, for total clarity and financial transparency, we record that, in addition, a further £40,000 is retained in the operational account of Copii in Dificultate, as part their operational and banking reserve. This prudently, is held in medium term deposit to maximise the investment return, which is slightly higher than in the UK. By local legislative requirement, the CID Ro.

Directors also hold just over one-month’s total human resource wage and benefits costs. These matters are declared in detail in a separate note in the accounts.

The current financial crisis and the impact on donation income continues to defer the development of a suitable share portfolio reserve as a part of the effective implementation of the charity’s longer term development strategy.

Ethical Investment Policy

Directors closely review the charity’s ethical investment policy and strategy, which identifies the most appropriate and financially efficient means to invest funds in stocks and shares of organisations whose aims and objectives are not at variance with the ethical values of the charity.

The Trustees are guided and advised in these matters by independent qualified investment analysts and banking professionals.

Reserves Policy

The term “reserves” (in accordance with the SORP 2005 definition) is used to describe our income funds that are freely available to help us meet our objectives. In this case, “free reserves” are represented by the “total funds” under our control less “restricted funds” and “tangible assets” as per the balance sheet contained within this report.

The reserves policy reaffirmed by the Trustees in May 2010 remains in place however they have long expressed their intent to see a full six months operational costs held in a financial reserve. Realistically, with limited interest returns, and little real investment in our bank reserves, earmarked funds and continuous project developments this reserve is available on account in the the charity’s bank in both the United Kingdom and Romania however is may be closer to four rather than six months operating costs and we have yet to achieve the Board’s desired reserves objective in this financial year.

The trustees continue to recognise the importance of building a buffer in free reserves in order to secure uninterrupted care for the children we support. This also remains a priority, however they will continue to act with prudence and discretion but remain primarily committed to answer the needs of children in distress drawn to our attention wherever possible.

The charity makes a financial contribution to private personal pensions for eligible employees based in the United Kingdom. Others have waived their rights to stakeholder pension provision; therefore, disclosure of FRS 17 pension liability provisions is not applicable in this financial statement.

Auditors

A resolution to reappoint The Kelvin Partnership will be put to the Trustees at their Annual General Meeting to be held 2012.

By order of the Board

Neil McGill
Trustee, Member of Board Management Group
How You Can Contact Us

The Children in Distress and Copii in Dificultate Websites

The Children in Distress website has been updated and improved. The site reflects the changing nature of our work and can be found at www.childrenindistress.org.

A new website has been launched in Romanian and reflects the continued success of Copii in Dificultate our Romanian partner and operating organisation. This can be found at www.cid.org.ro.

Further, contact information

Children in Distress UK
Suite 30 Ladywell Business Centre
94 Duke Street
Glasgow G4 0UW
Tel: 0044 (0) 141 559 5690 Fax 0044(0)141 559 5694
E-mail: info@childrenindistress.org.uk

St Andrew’s Complex of Child Care Services
B-dul. Petrochimistilor nr.18, Piteşti, Argeş
Tel: +40-(0)248 25 11 32; Fax: +40-(0)248 25 11 12
E-mail: pitesti@cid.org.ro; www.cid.org.ro

St Laurence Children Centre
Str. 1907 nr.10; Cernavoda, Constanța
Tel/Fax: 0241 23 75 15
E-mail: cernavoda@cid.org.ro

St Margaret’s Complex of Child Care Services
16, Radu de la Afumati st.
Tel/fax: +40-(0)21-210 31 21
E-mail: bucuresti@cid.org.ro

St Michael’s School for Children with Autistic Spectrum Disorders
5, Neatarnarii rd. Sector 1 Bucharest
Tel/fax: +40-(0)21-667 64 33
E-mail sf.mihail@cid.org.ro

St Nicholas Child Development and Therapies Centre
16, Radu de la Afumati
Tel/fax: +40-(0)21-210 31 21
E-mail: bucuresti@cid.org.ro
This year has seen continued support for our work from individuals, companies, charitable trust and grant making bodies that have helped us reach out and continue our mission of care. We want to recognise their help and share our heartfelt thanks and appreciation for their support.

**To Corporate Donors**
- Ana Holdings, Romania
- Aviva Scotland
- The Balmoral Hotel
- BDL Management
- Bell Truck Sales Ltd
- International Women’s’ Group in Bank of Transylvania
- Bella Romania Impex SA
- Bioforce UK Limited
- BRD Sogelease IFN SA
- Credit Euro Bank
- Eli Lilly Romania SRL
- Ernst & Young SRL
- Farmexim
- Ferco Steel Export Import
- Garantibank International NV
- Gastro Group SRL
- Gastrom International Catering
- The Hamilton Portfolio
- HBJ Gateley Wareing
- HBOS Ltd
- Alison Hayes Romania SA
- LG Electronics Romania SRL
- Lockheed Martin
- Londonderry Garages
- Medicarom
- MTP
- Mobexpert
- Motorola Romania SRL
- Negro 2000 SRL
- News Outdoor Romania SRL
- Next PR Agency Bucharest
- North Eastern Tyres and Exhausts
- Northgate Commercials
- Orange Romania SA
- Preston’s of Potto
- Raiffeisen Bank SA
- Ranbaxy Laboratories Ltd
- Romelectro
- The Scottish Sunday Mail
- Starconstruct’97 Exim
- Urgent Courier
- UNICEF
- Verso Corporation Romania
- Vodafone Romania
- Washington E&C Romania SRL

**To Trusts and Grant Makers**
- The Ashworth Charitable Trust
- Children’s Aid Scotland
- The Frances Crabtree Charitable Trust
- The Jane Durell Charitable Trust
- The Fulmer Trust
- The Gloa Foundation
- Help the Hospices
- The Philip Henneman Trust
- The Jane Hodge Foundation
- Meeting Industry Needs
- The Moffat Charitable Trust
- Fundația Parteneri Pentru Viata
- The Oakdale Trust
- The Orr Mackintosh Foundation
- The Monica Rabagliati Trust
- UIA Charitable Foundation
- The Roger Vere Foundation
- The Weinstock Fund
- The Woolf Charitable Trust

**To In Kind Donors**
- Bioforce UK Ltd
- Cameron Communications
- Central College Glasgow
- CV Travel
- De Silva RTH
- Digital Office Equipment
- Enable Scotland
- City of Glasgow College
- A Vogel
- Glasgow City Council Education Dept and Social Work Department
- Grant Management
- HMP Holmehouse

**To General Donors**
- St Andrew’s Parish Church Carluke
- St Christopher’s Parish Church
- Hungerford Big Wheel
- Chislehurst Churches Together
- Parish of Wisley & Pyrford

**To Individual Donors**
- David Charlton
- Mr and Miss Coombs
- Peter Cummings
- Mr and Mrs Davies
- Anna Durmand
- David Eustace
- Anstance Gladstone
- James Green
- William & Susan Haughey
- Paul Hetherington
To Medical Consultants and Advisors

Andy Cobley
Prof Dr Nicolas Como
Dr Iuliana Dobrescu
Dave Dragan
Stephanie Lord
Dr Rene MacDannel
Dr Neil Martin
Serge Papiernic
Helen Petit

Dr Adrian Petrescu
Dr Brigitte Soudrie
Dr Evelyne Soyez

Prof Dr Demitrie Dragomir
Dr Mirella Jancu
Dr Rodica Matusa
Dr. Antoaneta Petcov.

To Individual Donors / cont’d

James Mortimer
Frank Pilkington
Colin McIntyre
Ben Rimington-Wilson
Mr G Ross
Linda Roulston
Fraser Smith
David Thompson
Nick Thompson

To Advisory Group Members

Dr Robin Dunn
Alyth Hughes
Dr Derek Lockstone
Colleen Lockstone
Josey Twine
Report of the Independent Auditors to the Trustees of Children in Distress

We have audited the financial statements of Children in Distress for the period ended 30 September 2011 on pages 39 to 48 which have been prepared in accordance with the financial reporting standard for smaller entities (effective April 2008), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the charity’s trustees, as a body, in accordance with Section 43 and 44 of the Charities Act 1993 and Section 44(1c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As described on Page 8 the charity’s trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom accounting standards. (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true, fair view and are properly prepared in accordance with the Charities Act 1993, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

We also report to you if, in our opinion, the Report of the Trustees is not consistent with the financial statements.

We read the Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity’s circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all of the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation and information in the financial statements.
Report of the Independent Auditors to the Trustees of Children in Distress

Opinion

In our opinion

- The financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the charity’s affairs as at 30 September 2011 and of its incoming resources and application of resources in the year then ended and,
- The financial statements have been properly prepared in accordance with the Charities Act 1993, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

The information given in the Trustees’ Annual Report is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees’ remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies’ regime and take advantage of the small companies’ exemption in preparing the trustees’ report.

C M Fotheringham CA (Senior Statutory Auditor) for and on behalf of
The Kelvin Partnership Ltd.
Chartered Accountants
Registered Auditors
The Cooper Building
505 Great Western Road
Glasgow
G12 8HN

Date: 10 July 2012
### Income and Expenditure Account Incorporating Statement of Financial Activities

**For The Year Ended 30 September 2011**

<table>
<thead>
<tr>
<th>Notes</th>
<th>£</th>
<th>£</th>
<th>£</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Restricted</td>
<td>Unrestricted</td>
<td>Total</td>
<td>Total</td>
</tr>
<tr>
<td>2011</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>INCOME AND EXPENDITURE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Incoming resources

- **Donations, legacies & gifts in kind**
  - Notes 2
  - 1,000 785,165 786,165 809,428

- **Other incoming resources from operating activities**
  - **Charity Shops income**
    - Notes 3
    - - 99,430 99,430 81,653
  - **Investment income**
    - - 14 14 38

**Total incoming resources**

- 1,000 884,609 885,609 891,119

#### Resources Expended

- **Cost of generating funds**
  - Notes 4
  - - 243,540 243,540 280,087

- **Charitable expenditure**
  - **Direct charitable expenditure**
    - Notes 4
    - 1,000 634,938 635,938 550,994
  - **Support costs**
    - Notes 4
    - - 7,165 7,165 8,512
  - **Governance**
    - Notes 4
    - - 22,401 22,401 23,641

**Total resources expended**

- 1,000 908,044 909,044 863,234

- **Net movement in funds for year**
  - - (23,435) (23,435) 27,885

- **Total funds brought forward**
  - - 96,474 96,474 68,589

- **Total funds carried forward**
  - - 73,039 73,039 96,474

#### CONTINUED OPERATIONS

None of the Charity’s activities were acquired or discontinued during the current or previous year.
## Balance Sheet

**As At 30 September 2011**

<table>
<thead>
<tr>
<th>Description</th>
<th>2011 Notes</th>
<th>2011</th>
<th>2010</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible fixed assets</td>
<td>6</td>
<td>7,620</td>
<td>9,590</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>7,620</td>
<td>9,590</td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stocks</td>
<td>6</td>
<td>6,502</td>
<td>1,750</td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>7</td>
<td>24,811</td>
<td>10,627</td>
<td></td>
</tr>
<tr>
<td>Cash at bank and on hand</td>
<td></td>
<td>67,111</td>
<td>92,592</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>98,424</td>
<td>104,969</td>
<td></td>
</tr>
<tr>
<td>Creditors : amounts falling due in one year</td>
<td>8</td>
<td>33,005</td>
<td>18,085</td>
<td></td>
</tr>
<tr>
<td>PNet current assets</td>
<td></td>
<td>65,419</td>
<td>86,884</td>
<td></td>
</tr>
<tr>
<td>Total assets less current liabilities</td>
<td></td>
<td>73,039</td>
<td>96,474</td>
<td></td>
</tr>
<tr>
<td>Net assets</td>
<td></td>
<td>73,039</td>
<td>96,474</td>
<td></td>
</tr>
<tr>
<td>Funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted</td>
<td>10</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>11</td>
<td>73,039</td>
<td>96,474</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>73,039</td>
<td>96,474</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>73,039</td>
<td>96,474</td>
<td></td>
</tr>
</tbody>
</table>

Approved by the Board of Trustees and signed on its behalf by:

Canon C Samuels, Chairman of Trustees

Cornelius McGill, Trustee
1. **ACCOUNTING POLICIES**

**ACCOUNTING CONVENTION**

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities. In preparing the financial statements, the charity follows best practice as laid down in the Statement of Recommended Practice Accounting by Charities (“SORP 2005”).

**INCOMING RESOURCES**

Donations are accounted for when received by the Charity. "Donations receivable under Gift Aid are recognised only when honoured by the Donor." Income Tax recoverable on covenanted or gift aid donations is recognised when claimed. Legacies are included in the year in which they are received.

**TURNOVER OF CHARITY SHOPS**

The turnover of charity shops represents sales of donated goods.

**GIFTS IN KIND**

Gifts of clothing etc received and given to overseas projects are included in the financial statements at market value at the time of export. Items donated for resale are included in shop income when sold and no value is placed on stock at the year end. Donated services are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included.

**GRANT GIVING**

Funds transferred to Romania are now shown as grants payable to the projects. This reflects a change in the approach to supporting operations in Romania where an agreed monthly transfer is now made to be administered locally across the projects. This gives more independence and reflects the actual position of the charity and Romanian operation.

**INVESTMENTS**

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

**RESOURCES EXPENDED**

Resources expended are included in the statement of financial activities on an accruals basis inclusive of any VAT, which cannot be recovered.

Head office expenditure has been apportioned to cost categories as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>Dependent on employee activity</td>
</tr>
<tr>
<td>Legal and professional fees</td>
<td>100% support costs</td>
</tr>
<tr>
<td>Bank charges</td>
<td>30% cost of generating funds</td>
</tr>
<tr>
<td></td>
<td>60% direct charitable expenditure</td>
</tr>
<tr>
<td></td>
<td>10% governance</td>
</tr>
</tbody>
</table>
ACCOUNTING POLICIES CONTINUED

Book-keeper 100% governance
Audit and accountancy 100% governance
Telephone 30% fundraising costs
50% direct charitable expenditure
10% support costs
10% governance
Hotel and travel expenses 10% fundraising costs
80% direct charitable expenditure
10% support costs
All other expenditure 80% fundraising costs
10% support costs
10% governance

COSTS TO GENERATE FUNDS

The costs charged under this heading are in respect of advertising and printing costs together with the costs of running the two charity shops, together with head office costs, which are apportioned on an estimate of the proportion of time spent by staff.

SUPPORT COSTS

Support costs comprise all services supplied centrally, identifiable as wholly or mainly in support of the projects and include an appropriate proportion of overheads. The overheads are allocated to direct project charitable expenditure on the basis of estimated staff time with the aim of ensuring the costs remaining within administration related to the management of assets, organisational administration and compliance with constitutional and statutory requirements.

TAXATION

The Charity is a registered charity and as such is exempt from income tax and capital gains tax but not from VAT. The recoverable VAT is excluded from the cost of those items to which it relates.
ACCOUNTING POLICIES CONTINUED

TANGIBLE FIXED ASSETS

Fixed assets incorporated at cost have been depreciated at the following rates to write off assets over their estimated useful life.

- Fixtures, fittings and equipment: 20% per annum reducing balance
- Motor vehicles: 25% per annum reducing balance
- Office equipment: 33% per annum reducing balance and 33% per annum on cost

Expenditure is capitalised where appropriate at a value of over £500.

The expenditure of a capital nature in respect of buildings not directly owned by the Charity for relief work overseas is written off as incurred.

STOCK

The donations of second hand goods to the charity shop for resale are not valued and recognised as stock.

Other donated goods in kind which at the year end, have not been utilised by the charity, are valued on the basis used for income recognition for gifts and services in kind and are carried in the balance sheet at that value.

FINANCE AND OPERATING LEASES

Rentals applicable to operating leases are charged to the Statement of Financial Activities over the period they are incurred. Assets obtained under finance leases are capitalised as tangible fixed assets. Obligations under such leases are included in creditors net of finance charge allocated to future periods. The finance element of each payment is charged to the Statement of Financial Activities so as to produce a constant periodic rate on the net obligation outstanding in each period.

PENSIONS

Pension payments represent contributions to personal pension schemes. Such payments are recognised in the accounts, as and when incurred.

FUNDS

General funds represent the funds of the Charity that were not subjected to any restrictions regarding their use and are available for application on the general purpose of the Charity. These include funds designated for a particular purpose by the Trustees. The purpose of any restricted fund is noted in the accounts.
2. **DONATIONS LEGACIES - GIFTS IN KIND**

<table>
<thead>
<tr>
<th></th>
<th>2011 Restricted</th>
<th>Unrestricted</th>
<th>2011 Total</th>
<th>2010 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Legacies</td>
<td>-</td>
<td>73,496</td>
<td>73,496</td>
<td>6,000</td>
</tr>
<tr>
<td>General donations, Gift Aid etc</td>
<td>1,000</td>
<td>419,819</td>
<td>420,819</td>
<td>643,167</td>
</tr>
<tr>
<td>Gifts in kind</td>
<td>-</td>
<td>291,850</td>
<td>291,850</td>
<td>160,261</td>
</tr>
<tr>
<td></td>
<td>----------------</td>
<td>--------------</td>
<td>------------</td>
<td>------------</td>
</tr>
<tr>
<td></td>
<td>1,000</td>
<td>785,165</td>
<td>786,165</td>
<td>809,428</td>
</tr>
</tbody>
</table>

3. **CHARITY SHOP INCOME**

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Sales</td>
<td>99,430</td>
<td>81,653</td>
</tr>
<tr>
<td>Overheads</td>
<td>(59,436)</td>
<td>(56,047)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution</td>
<td>39,994</td>
<td>25,606</td>
</tr>
</tbody>
</table>
## 4. RESOURCES EXPENDED

<table>
<thead>
<tr>
<th>Cost Items</th>
<th>Direct Charitable Expenditure</th>
<th>Support Costs</th>
<th>Governance</th>
<th>Total 2011</th>
<th>Total 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Printing, appeals, advertising, publications</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>29,445</td>
<td>41,025</td>
</tr>
<tr>
<td>Shop expenses</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>20,504</td>
<td>20,745</td>
</tr>
<tr>
<td>Wages and salaries</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>24,937</td>
<td>18,741</td>
</tr>
<tr>
<td>Rent and rates</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,047</td>
<td>3,606</td>
</tr>
<tr>
<td>Heat and light</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,047</td>
<td>3,606</td>
</tr>
<tr>
<td>Repairs, sundries and telephone</td>
<td>145</td>
<td>-</td>
<td>-</td>
<td>145</td>
<td>370</td>
</tr>
<tr>
<td>Motor expenses</td>
<td>10,803</td>
<td>-</td>
<td>-</td>
<td>10,803</td>
<td>12,585</td>
</tr>
<tr>
<td>Gifts in kind</td>
<td>- 262,100</td>
<td>-</td>
<td>-</td>
<td>262,100</td>
<td>145,281</td>
</tr>
<tr>
<td>Grants</td>
<td>- 297,908</td>
<td>-</td>
<td>-</td>
<td>297,908</td>
<td>360,209</td>
</tr>
<tr>
<td>Travel and subsistence</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>9,773</td>
<td>8,649</td>
</tr>
<tr>
<td>Carriage and general transport</td>
<td>-</td>
<td>9,257</td>
<td>-</td>
<td>9,257</td>
<td>3,401</td>
</tr>
<tr>
<td>Wages and salaries UK</td>
<td>67,676</td>
<td>19,336</td>
<td>9,668</td>
<td>96,680</td>
<td>103,849</td>
</tr>
<tr>
<td>Pension costs</td>
<td>6,522</td>
<td>815</td>
<td>815</td>
<td>8,152</td>
<td>7,626</td>
</tr>
<tr>
<td>Wages - fundraising</td>
<td>33,845</td>
<td>-</td>
<td>-</td>
<td>33,845</td>
<td>34,730</td>
</tr>
<tr>
<td>Expenses - fundraising</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,513</td>
<td></td>
</tr>
<tr>
<td>Rent and rates</td>
<td>20,170</td>
<td>2,521</td>
<td>2,521</td>
<td>25,212</td>
<td>23,865</td>
</tr>
<tr>
<td>Website development</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td>180</td>
</tr>
<tr>
<td>Insurance</td>
<td>1,060</td>
<td>132</td>
<td>132</td>
<td>1,324</td>
<td>1,354</td>
</tr>
<tr>
<td>Postage, stationery, copying, advertising, and computer costs</td>
<td>11,216</td>
<td>1,402</td>
<td>1,402</td>
<td>14,020</td>
<td>19,696</td>
</tr>
<tr>
<td>Motor expenses</td>
<td>3,724</td>
<td>466</td>
<td>466</td>
<td>4,656</td>
<td>4,656</td>
</tr>
<tr>
<td>Transport and warehousing</td>
<td>-</td>
<td>25,000</td>
<td>-</td>
<td>25,000</td>
<td>15,980</td>
</tr>
<tr>
<td>Telephone</td>
<td>1,286</td>
<td>2,572</td>
<td>428</td>
<td>4,286</td>
<td>4,559</td>
</tr>
<tr>
<td>Legals</td>
<td>84</td>
<td>-</td>
<td>-</td>
<td>84</td>
<td>652</td>
</tr>
<tr>
<td>Equipment leasing</td>
<td>5,796</td>
<td>725</td>
<td>725</td>
<td>7,246</td>
<td>6,168</td>
</tr>
<tr>
<td>Hotel and travel expenses</td>
<td>-</td>
<td>725</td>
<td>725</td>
<td>7,246</td>
<td>6,168</td>
</tr>
<tr>
<td>Trustees expenses</td>
<td>-</td>
<td>-</td>
<td>380</td>
<td>380</td>
<td>450</td>
</tr>
<tr>
<td>Audit</td>
<td>-</td>
<td>-</td>
<td>5,200</td>
<td>5,200</td>
<td>4,979</td>
</tr>
<tr>
<td>Bank charges</td>
<td>-</td>
<td>-</td>
<td>720</td>
<td>3,598</td>
<td>4,008</td>
</tr>
<tr>
<td>Sundry expenses UK</td>
<td>1,400</td>
<td>175</td>
<td>175</td>
<td>1,750</td>
<td>1,211</td>
</tr>
<tr>
<td>Sundry expenses</td>
<td>-</td>
<td>-</td>
<td>4,680</td>
<td>4,680</td>
<td>2,872</td>
</tr>
<tr>
<td>Depreciation</td>
<td>1,576</td>
<td>-</td>
<td>197</td>
<td>197</td>
<td>1,970</td>
</tr>
</tbody>
</table>

| Total                                           | **243,540**                  | **635,938**   | **7,165**  | **22,401** | **909,044** |
|                                                 | **45**                       |               |            |            | **863,234** |

The operations in Romania are supported with an agreed and consistent monthly transfer of funds from the United Kingdom to Bucharest. These funds are independently administered among the projects at a local level and as such are treated as grants. The monthly transfers are all sent to the main bank account of Copii in Dificultate in Romania to support the various projects.
Notes to the Accounts
For The Year Ended 30 September 2011

5. TRUSTEES REMUNERATION AND EXPENSES

No remuneration or expenses are paid to the Trustees of the Charity.

While Children in Distress may organise travel for Trustees, it is current practice that Trustees are personally responsible for the costs of travel in the United Kingdom, travel costs for Trustees involved in projects visits or participating in training events in Romania may be legitimately met by the charity. In the year reported travel costs were paid on behalf of two trustees (Dr Robin Dunn & the Rev June Hurn) carrying out audit reviews as a member of the charity’s advisory group and as a trustee of PositivPlus, assisting with and advising on mobility aids respectively.

6. TANGIBLE FIXED ASSETS

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Office Equipment</th>
<th>Fixtures &amp; Fittings</th>
<th>Motor Vehicles</th>
</tr>
</thead>
<tbody>
<tr>
<td>COST</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>At 1 October 2010 and 30 September 2011</td>
<td>64,090</td>
<td>45,390</td>
<td>4,000</td>
<td>14,700</td>
</tr>
<tr>
<td></td>
<td>======</td>
<td>======</td>
<td>======</td>
<td>======</td>
</tr>
<tr>
<td>DEPRECIATION</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>At 1 October 2010</td>
<td>54,500</td>
<td>42,300</td>
<td>4,000</td>
<td>8,200</td>
</tr>
<tr>
<td>Provided</td>
<td>1,970</td>
<td>340</td>
<td>-</td>
<td>1,630</td>
</tr>
<tr>
<td></td>
<td>======</td>
<td>======</td>
<td>======</td>
<td>======</td>
</tr>
<tr>
<td>As at 30 September 2011</td>
<td>56,470</td>
<td>42,640</td>
<td>4,000</td>
<td>9,830</td>
</tr>
<tr>
<td></td>
<td>======</td>
<td>======</td>
<td>======</td>
<td>======</td>
</tr>
<tr>
<td>NET BOOK VALUE</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>As at 30 September 2011</td>
<td>7,620</td>
<td>2,750</td>
<td>-</td>
<td>4,870</td>
</tr>
<tr>
<td></td>
<td>======</td>
<td>======</td>
<td>======</td>
<td>======</td>
</tr>
<tr>
<td>As at 30 September 2010</td>
<td>9,590</td>
<td>3,090</td>
<td>-</td>
<td>6,500</td>
</tr>
</tbody>
</table>

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>£</td>
<td></td>
<td></td>
</tr>
<tr>
<td>VAT</td>
<td>249</td>
<td>238</td>
</tr>
<tr>
<td>Prepayments and accrued income</td>
<td>24,562</td>
<td>10,389</td>
</tr>
<tr>
<td></td>
<td>======</td>
<td>======</td>
</tr>
<tr>
<td>24,811</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NET</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>£</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade creditors and accruals</td>
<td>30,018</td>
<td>14,942</td>
</tr>
<tr>
<td>Social Security and other taxes</td>
<td>2,987</td>
<td>3,143</td>
</tr>
<tr>
<td></td>
<td>======</td>
<td>======</td>
</tr>
<tr>
<td>33,005</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NET</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
9. **ANALYSIS OF NET ASSETS BETWEEN FUNDS**

<table>
<thead>
<tr>
<th></th>
<th>Restricted</th>
<th>Unrestricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tangible fixed assets</strong></td>
<td>-</td>
<td>7,620</td>
<td>7,620</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td>-</td>
<td>98,424</td>
<td>98,424</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td>-</td>
<td>(33,005)</td>
<td>(33,005)</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>73,039</td>
<td>73,039</td>
</tr>
</tbody>
</table>

10. **RESTRICTED FUNDS**

<table>
<thead>
<tr>
<th></th>
<th>01.10.10</th>
<th>Incoming</th>
<th>Outgoing</th>
<th>Transfers</th>
<th>30.09.11</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Churches Together in Chislehurst</strong></td>
<td>-</td>
<td>1,000</td>
<td>1,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>1,000</td>
<td></td>
<td>1,000</td>
<td>-</td>
</tr>
</tbody>
</table>

11. **UNRESTRICTED FUNDS**

In the year the Trustees have reviewed the general reserves position of the charity which exists to cater for fluctuations in the income of Children in Distress from year to year. The Trustees have decided upon the following desired provision:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Core costs (6 months provision)</strong></td>
<td>325,000</td>
<td>280,000</td>
</tr>
<tr>
<td><strong>Deficit/surplus</strong></td>
<td>(251,961)</td>
<td>(183,526)</td>
</tr>
<tr>
<td><strong>General fund balance</strong></td>
<td>73,039</td>
<td>96,474</td>
</tr>
</tbody>
</table>

The Trustees are considering ways to increase the general free reserves to a position where designated requirements are able to be met and the provision for core costs is increased to six months.

12. **EMPLOYEES**

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Wages and salaries</strong></td>
<td>134,557</td>
<td>147,283</td>
</tr>
<tr>
<td><strong>Employer’s NIC</strong></td>
<td>10,852</td>
<td>12,041</td>
</tr>
<tr>
<td><strong>Pension costs</strong></td>
<td>8,152</td>
<td>7,626</td>
</tr>
<tr>
<td></td>
<td>153,561</td>
<td>166,950</td>
</tr>
</tbody>
</table>

CHILDREN IN DISTRESS UK ANNUAL REPORT & CONSOLIDATED FINANCIAL STATEMENT FOR THE FINANCIAL YEAR ENDING 30TH SEPTEMBER 2011
EMPLEOYEE CONTINUED

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

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration support and management</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Fundraising</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>8</td>
<td>9</td>
</tr>
</tbody>
</table>

No employee earned £60,000 per annum or more.

The Trustees would like to acknowledge with thanks the contribution made by the large number of volunteers, the value of which is impossible to reflect in these financial statements.

13. FINANCIAL COMMITMENTS

At 30 September 2011 the Charity has annual commitments under non-cancellable leases as follows:-

<table>
<thead>
<tr>
<th>Expiry date</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than one year</td>
<td>12,238</td>
</tr>
<tr>
<td>Two to five years</td>
<td>63,340</td>
</tr>
<tr>
<td>Over five years</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>75,578</td>
</tr>
</tbody>
</table>

14. INDEMNITY INSURANCE

Trustee’s liability insurance was taken out by the Charity at a cost of £656.

15. RELATED PARTIES

The Chief Executive (Alisdair Barron) and Trustee Alyth Hughes are directors of Copii in Difficultate and Positivplus and Donald McPhail is a director of Positivplus, key strategic partner and sister organisations, which manages projects supported by Children in Distress.