



Children In Distress

Annual Report & Financial Statements 31st December 2020

To cure, sometimes; To help, often; To comfort, always.

REGISTERED COMPANY NUMBER: SC351218 (Scotland)
REGISTERED CHARITY NUMBER: SC039383

**Report of the Trustees and
Financial Statements for the Year Ended 31 December 2020
for
Children in Distress**



The Kelvin Partnership Ltd
Statutory Auditor
Chartered Accountants
The Cooper Building
505 Great Western Road
Glasgow
G12 8HN

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for the Year Ended 31 December 2020**

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**Reference and Administrative Details
for the Year Ended 31 December 2020**

TRUSTEES	Dr R Dunn Canon C Samuels Rev J Hurn C McGill Sir N Thorne H Ward J Burns Mrs A Martin (resigned 18.2.20)
REGISTERED OFFICE	Suite 30 Ladywell Business Centre 94 Duke Street GLASGOW G4 0UW
REGISTERED COMPANY NUMBER	SC351218 (Scotland)
REGISTERED CHARITY NUMBER	SC039383
AUDITORS	The Kelvin Partnership Ltd Statutory Auditor Chartered Accountants The Cooper Building 505 Great Western Road Glasgow G12 8HN
SOLICITORS	Brechin Tindal Oatts 48 St Vincent Street Glasgow G25 5HS
BANKERS	Royal Bank of Scotland Plc City Branch 10 Gordon Street Glasgow G1 3PL



HARRY WARD

CHAIRMAN

A year of uncertainty!

Chairman's Report for the Year Ended 31 December 2020

All plans for 2020 were turned on their heads by the Covid 19 Pandemic and the issue became one of survival rather than development for Copii in Difficultate and CID UK.

The Management and Staff of Copii in Difficultate were faced with the problem of keeping the children safe and maintaining staffing roles. This required great personal dedication and ingenuity on the part of the staff and management led by our CEO Valentina and Vice President of Copii in Difficultate, Paul Kubaszky.

Costs were increased by the need to find extra shifts and provide PPE. In addition, there was an urgent need to upgrade St Margaret's Hospice to meet with Romanian accreditation requirements.

In the UK, the Glasgow office and shops were required to close for long periods and the staff had to adapt to working from home. As a result, the fall in income was offset by the efforts of Operations Manager Tina Connelly in accessing local authority grants and furloughing staff as required.

During the relaxation of lockdowns in the summer and early autumn a successful Shoe Box campaign was mounted by staff and supporters. Our shops showed promise from increasing activity due to the enthusiasm and resource displayed by our Shop Managers, coordinated by Tina. We look forward to this being continued when they reopen.

Special Appeals mounted by the Fundraising committee lead by Anne-Marie Martin and Nelly Miriciaru and CID UK provided (or both) the refurbishment of St Margaret's and the increased costs incurred by Covid. These efforts, the continuing contributions of our supporters, and the residual benefit of the Jensen legacy has enabled CID UK to maintain a high level of support for Copii in Difficultate throughout 2020. The result is that we are still financially viable, but all these special income streams have masked our underlying problem with falling regular income from donations and covenants.

In March 2020 Allan Challicher stepped down as Accountant having served the Charity for 20 years. He arranged a seamless transition to Advantage Accounting and Vicky McColgan. Allan provided an utterly dependable service and steady influence on the organisation, which has been continued without interruption by Vicky.

The Board of Trustees are in awe of the efforts of the Management team and Staff in meeting the demands of 2020. As for the future, the Board are seeking direction from the Glasgow Council for the Voluntary sector, our Auditors, the Kelvin Partnership, and hopefully recruiting new expertise to the Board for direction in tackling our fundamental problem of falling regular income.

2021 promises to be another challenging year with the impact of Brexit, hopefully offset by the lifting of restrictions imposed by Covid.

Harry Ward
Chairman of the Board of Trustees

VALENTINA ZAHARIA

CEO

CEO's Report for the Year Ended 31 December 2020

Children in Distress is a non-profit organization which operates in Romania since 1990 in the children's welfare field. CID is one of the first NGOs who set up palliative care units for HIV/AIDS infected children and children with severe neurological conditions in Romania.

For many years CID worked only with British volunteers (carers, nurses, physicians, and teachers) facing the Romanian society's prejudice regarding HIV/AIDS infected children or infants with severe neurological problems.

Children in Distress has reached 31 years of activity and developed a reputation of excellence as a quality-based carer and developer of high quality paediatric and welfare care in Romania.

2020 brought us unprecedented political and economic times, with Brexit, unpredictable social and economic changes, and the ever-growing threat of COVID-19.

Raising funds to remain sustainable and fulfil its aims is the number one challenge which we have been facing.

With our Glasgow office closed, our office staff working from home, they had to adapt quickly to do a variety of tasks electronically. The major issue faced was the cancellation of our fundraising activities. With an action plan agreed at the beginning of the year everyone looked forward to a busy and fun-filled time.

From marathons and art exhibitions to church carol singing and the CID Little Helpers' second fun day, all of our plans were put on hold.

Our annual supporters' tour, which is always a time to look forward to, brings staff, supporters, donors and sponsors together, and gives everyone a chance to spend time with the wonderful children we care for, and again this had to be postponed.

The closure of all three of our shops also had a major impact on incoming revenue this year, and all plans for special promotions like Mother's Day, Easter and our D-Day events were all cancelled.

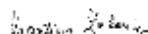
The COVID-19 pandemic affected our St Margaret's Hospice too - we had to work under quarantine conditions and take special measures to protect the children who were in our care.

In spite of the difficult times our supporters generously responded to our Covid-19 and Shoe box appeals. We had a fantastic response of £ 36,000 for COVID appeal and over 5300 gift boxes for the Shoe Box appeal for which we are extremely thankful.

Over the last year, we have learned what is required to meet the challenges of the Coronavirus. The pandemic is not over. Circumstances continue to change, but all the difficulties of the previous year have taught us to adapt to the new environment and they grew our knowledge and experience.

To all our donors, non-profit partners, advisors, and others who let us share their generosity, and on behalf of our dedicated Board, I offer my sincere gratitude.

Thank you for inspiring us and for joining us in building a better today for children who may not have tomorrow.



Valentina Zaharia
CEO UK and Romania

Children in Distress

Report of the Trustees for the Year Ended 31 December 2020

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Vision, Mission, Aim, Structure and Partners

Our Vision "To cure, sometimes; To help, often; To comfort always".

Purpose, in concert with our operating partners and sister charities Copii in Dificultate, & Help, Hope and Hospice, in Romania to deliver paediatric palliative, respite and end of life care, and to provide educational opportunities, social welfare and training where and when required.

Aim, "to deliver a better today for children who may have no tomorrow" by offering the best possible care to children who are terminally or incurably ill, living with genetic or developmental delay, disorders or handicap, offering education and opportunity to those simply disadvantaged by family economics or discrimination in the community. Through training and practical example to effect attitudinal and practical changes in medical care, social welfare and educational policy in Romania.

Structure, Children in Distress is a UK charity registered with the Scottish Charity Regulator, with a registered office in Glasgow and a commercial trading arm, which operates three charity thrift shops in County Durham, Cleveland and North Yorkshire. A loyal, enterprising and vibrant volunteer and donor network underpins and makes possible the charity's mission of care. We work through and together with our sister and partner organisations in Romania. Our ongoing objective is to empower these organisations to self-sufficiency as soon as is practicable.

CID UK's in-country Partners

ROMANIA Copii in Dificultate

St Andrew's Hospice and Children's Care Centre
St Nicolas Community Physiotherapy and Rehabilitation Service
St Margaret's Centre for Children
St Michael's School for Children with Autistic Spectrum Disorders

Ajutor, Speranta si Hospice (Help, Hope and Hospice)

St Helena's Education and Welfare Project

St Cristofer's Centre

Arges County Council
Bucharest School No 62
Centrul Sft Macrina
Matei Basarab Social and Cultural Association
Serban Voda Parish Church

Children in Distress

Report of the Trustees for the Year Ended 31 December 2020

OBJECTIVES AND ACTIVITIES

Objectives and activities

The Objects of the Association shall be:

The objects of the charity were established by the following documents.

- a
-) Declaration of Trust dated 7th December 1990 for Romanian Children's Aid
- b Declaration of Trust dated 23rd November 1992 Supplemental Deed for Romanian Children's Aid which
-) established the name of the Charity as Children in Distress
 - i. The Object of this charity were registered as
 - For the relief of poverty and sickness (whether physical or mental)
 - The advancement of education and the preservation and protection of good health amongst the children of Eastern Europe.
 - ii
 - The Powers of the Directors are stated as
 - Appointment of Committees
 - To appoint and delegate a Liaison committee of Directors to supervise Management committees concerned with the day-to-day administration of the Charity.
 - Appointment of staff
 - To appoint such persons to perform such duties considered necessary for the proper administration of the charity.
 - Miscellaneous powers to do all such other lawful things as shall further the charities objectives.
 - To appoint or discharge Directors / Trustees.

Aims and Activities

1. To cross ethnic and religious boundaries, and while the ethos of the Charity remains Christian, it works with children and young people of all races and religions and beliefs and none.
2. To strive for and advocate basic human rights, as well as the specific Rights of the Child as outlined in international charters and local statute.
3. To care for as many of Eastern Europe's children and young people in need and distress (of which persons are here in after referred to as "the Beneficiaries") as necessary and possible and improve their abilities, physical and mental health, education, social conditions and wellbeing.
4. To support the promotion of health, physical and mental development of the beneficiaries so as to enable them to grow to full maturity and achieve their full potential as individuals and members of society and so their condition of life may be improved.
5. To support established residential and training centers and to engage people in those centers with a view to developing and improving the beneficiaries ability to work and earn a living in modem society and to develop their life and social skills and attitudes with a view to becoming responsible citizens.
6. To promote and support our partner charities in the setting up and development of partnerships with central government, local authorities, and the local communities within which, we work. To help these charities and other identified partner charitable organisations caring for children to implement their stated vision, mission, and scope, to help children who find themselves in distress.
7. To increase the resources available for the support of the children and young people concerned by fundraising and encouraging other agencies and grant making trusts statutory and voluntary - to commit funds of these purposes.
8. To assist in the provision of facilities for the nursing, care, accommodation, education, and training of the Beneficiaries and to assist them in improving their condition of life
9. To obtain, collect and receive money and funds by way of contributions, donations, subscriptions legacies, grants and any other lawful method, and to accept and receive gifts of property or any description (whither subject to any special trusts or not) for or towards the above purposes or any of them provided the Company shall not undertake any permanent trading in furtherance of its fundraising power

**Report of the Trustees
for the Year Ended 31 December 2020**

OBJECTIVES AND ACTIVITIES

Legacies, Substantial Personal & Trust Donations

Legacies and in-memoriam giving have both played a significant role in making the work of the Charity possible over the last few years. The Trustees therefore acknowledge the generosity of those who consider the Charity's mission of care to the children in distress important and worthy of a legacy (£89,476): Sponsorship or Trust donations (£191,496). Without these donations, much of the capital building works and renovation, which have been undertaken during this financial year, would not have been possible.

We remember with gratitude gifts, Trust donations, Legacy & In memoriam giving from & on behalf of:

Major Donators

Peter Atrill
Katherine Booth
Vincent Burke
Josephine Edwards
Sue Goldby
Ian Gordon
Julian Hancock
Christine Herrington
Morag McIlwraith
Rev David Rake
Peter Reid
Ben Rimington Wilson
Harry Ward & Sue Ward

Trusts & Foundations

Fulmer Charitable Trust

Church Donations

St Martins Church, Nottingham
PCC St Martins, Sherwood
Community of the Holy Cross, Leicestershire
St Lawrence, Seal
St Nicholas Church, Chislehurst
Stokesley Christian Fellowship

Legacies/In Memoriam

Caroline Allen
Sheila Berry
Joseph Brockley
James Crook
Michael & Varuni Janson
Barbara Jefferies
Hillary Kirkbride
Richard Pownall
Philomena Vahey
Joyce West
Ian Wildbore

Public benefit

Children in Distress serves the children of Romania and surrounding countries through its partner organisations. The Charity works with organisations that provide child-focused and child-friendly high standard best practice hospice care, free at the point of delivery, and child development and educational and welfare opportunities for those who need them. Children and families are accepted based on need and residential proximity, not on race, religion or ability to pay. The education provided to professionals in education, medicine, the disciplines allied to medicine and social welfare is subsidised where possible.

**Report of the Trustees
for the Year Ended 31 December 2020**

STRATEGIC REPORT

Financial position

Total income received in the year to 31 December 2020 was £608,041 (2019 - £1,261,027), whilst expenditure costs were £733,592 (2019 - £1,045,396). This resulted in a deficit of £125,551 (2019 - £215,631 surplus).

Closing reserves at the balance sheet date were £181,509 consisting of £181,509 unrestricted funds and £nil restricted funds.

Reserves policy

The Trustees have adopted a reserves policy, which they consider appropriate to ensure the continued ability of the Charity to meet its objectives. The Charity aims to maintain reserves at a level, which will provide a minimum 6 months free reserves to cope with contingencies.

COVID-19 - It's impact, and our current and future response

From mid-March 2020 our offices and shops have been subject to national and local lockdowns. Office staff were organised to work from home to ensure the operation could continue to receive and allocate fund support to Copii in Dificultate.

Offices and shops have been organised to allow re opening with screens, sanitisers, social distancing measures to ensure the safety of staff, volunteers, and customers.

The staff in the shops were put on furlough.

Financial assistance during lockdown was received from UK, Scottish Governments, and local council authorities

Funds

Funding received is sent to our sister charity (Copii in Dificultate) in Romania to meet our aims and objectives.

Funds from supporters are recorded against specific categories to recognise why the funds were given and the purpose for their use, some examples are, sponsor a child, gifts from the heart etc.

Future plans

In 2025 Children in Distress will have achieved its 35th anniversary. The Board are undertaking a full strategic review in 2021 to determine our organisation, shape, and strategy in order that by the 35th anniversary we can communicate clearly the future direction of the charity.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Memorandum and Articles of Association 10031

Registered as a Private Limited Company by Guarantee with Companies House, 11th March 2010, number SC351218.

Registered as a Charity with OSCR, 13th March 2007, number SC039383 (The original Memorandum and Articles of Association were adopted by a Special Resolution agreed by the Board on 26th February 2008)

**Report of the Trustees
for the Year Ended 31 December 2020**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Charity constitution

Promote relief of sickness, and in particular to:

- Promote the care of persons in South Eastern Europe suffering accident infection birth defects or genetic conditions which can result in life-threatening illnesses whether in hospitals, hospices, clinics, or their own homes and to provide medical, nursing and other treatment and attention according to their needs, together with guidance and assistance for those caring for them.
- Promote and encourage research into the care and treatment of infants and children in need of palliative, respite, or end of life care due life-threatening illnesses.
- Promote, encourage, and assist in the teaching and training of doctors, nurses or professionals in the profession as allied to medicine and the maternal assistants who support them.
- Support relatives and carers suffering from shock or depression arising from bereavement by provision of counselling.
- Promote and encourage the provision of quality palliative care by all appropriate institutions and organisations in the Balkans for infants and children living with disabilities or facing life-threatening illnesses.
- Assist by grants of funds or support, training, or advice to charitable or not for profit organisation and services to further common interest and goals.

Recruitment and appointment of new trustees

- Potential new Trustees are invited to apply giving their background and experience.
- The Trustees are given copies of the application.
- The candidate is invited to attend a Trustee meeting, given the opportunity to meet all.
- Trustees, given the opportunity to ask questions.
- After the meeting, the candidate and the Trustees can then evaluate if the skills.
- Knowledge, experience, to determine if this is a good match for all concerned.
- If the candidate is progressing towards being a Trustee they are initially co-opted onto the Board and at the next AGM, their position will be ratified.

Organisational structure

The governing body of the charity is the Board of Trustees, which comprises nine members and meet four or five times a year to review strategy and performance together with the Chief Executive. The Trustees make decisions about policy and delegate executive decisions to the staff of the Charity through the Chief Executive and the staff.

This Board operates a number of subcommittees that meet as required to transact business or offer guidance and direction to the Chief Executive and staff. The Board has initiated a review of roles, committee structure and responsibilities to ensure continuing good governance and better define the way forward. This has included delegation of the responsibility of the Board to prepare and oversee the implementation of the E.U.'s General Data Protection Regulation (GDPR) being implemented in May 2018.

The Board is mindful that the professional responsibility for the treatment and care of children in the hospices and children's centres founded and supported by Children in Distress now lies clearly with the medical professions and those in disciplines allied to medicine qualified and registered to practice in Romania.

Nevertheless, they have considered the benefits of sponsoring the creation of a Children in Distress Charity Alliance, Medical Advisory Group, comprising professional representation from each of the charities comprising the Charity Alliance. This would offer guidance and advice on matters of professional education, training and best practice in the care and treatment of infants and children with profound disabilities and conditions arising from accident, infection, genetics or birth defects.

**Report of the Trustees
for the Year Ended 31 December 2020**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Decision making

Directors / Trustees

- 1 The number of Directors / Trustees with which the Company proposes to operate shall be a minimum of 5 and a maximum of 10.
- 2 The subscribers to the Memorandum and Articles of Association and such other persons as the Board shall admit to membership shall be members of the Company. Every member of the Company shall either sign a written consent to become a Member or sign the Register of Members on becoming Member.
- 3 A Member may at any time withdraw from the Company by giving at least seven days' notice to the Company. Membership shall not be transferable and shall cease on death.

The Company is established for the purpose expressed in the Memorandum and Articles of Association.

Induction and training of new trustees

New Trustees are given a full pack of information on the charity and its Governance Documents.

When the opportunity arises, the new Trustee is invited to an induction day where the history, strategy along with legislative requirements are discussed.

Risk management

A Governance manual has been created which outlines the approaches to be taken to ensure all legislative requirements have been followed.

Critical activities are performed by external agencies

- Human Resources are outsourced to GCVS
- Accounting services are outsourced to Advantage Accounting
- The appointed auditors are The Kelvin Partnership

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Children in Distress for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**Report of the Trustees
for the Year Ended 31 December 2020**

AUDITORS

The auditors, The Kelvin Partnership Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 20 May 2021 and signed on the board's behalf by:

H Ward

H Ward - Trustee



Report of the Independent Auditors to the Trustees and Members of Children in Distress

Opinion

We have audited the financial statements of Children in Distress (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Emphasis of matter

We draw attention to note 12 in the financial statements, which deals with the Going Concern and Subsequent Events and specifically the possible effects of the implications of COVID - 19 on Children in Distress's future prospects, performance and cashflows. Management have described how they plan to deal with these events and circumstances. Our opinion is not modified in respect of this matter.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Trustees and Members of Children in Distress

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate and proper 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



Report of the Independent Auditors to the Trustees and Members of Children in Distress

Our responsibilities for the audit of the financial statements

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

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

- We enquired of the directors of the charities policies and procedures to detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud
- Reading Board minutes
- Using analytical procedures to identify any unusual or unexpected transactions

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud within the charity

As required by auditing standards we perform procedures to address the risk of management override of controls and in particular that the charity management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as provision for receivables, impairment and pension assumptions. On this audit we do not believe there is a fraud risk related to revenue recognition because the income is dependent on charitable donors and does not contain estimation uncertainty.

We did not identify any additional fraud risks

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of the charity's fraud risk management controls.

We also performed procedures including:

- Identifying journal entries to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included, as relevant, those posted to unusual accounts
- Assessing significant accounting estimates for bias

We discussed with management matters related to actual or suspected fraud and considered any implications for our audit.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and through discussion with the directors (as required by auditing standards)

As the charity is regulated our assessment of risks involved gaining an understanding of the control environment including the charity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statement varies considerably.

Firstly the entity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation and charities legislation) and we assessed the extent of the compliance with these laws and regulations as part of our procedures on the related ..

Secondly the entity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements We identified the transfers of monies to the entities sister organisation in Romania Copii in Dificultate. We ensured that we had the reciprocal auditors statement from Copii in Dificultate ensuring the agreement of monies transferred in the year.

Report of the Independent Auditors to the Trustees and Members of Children in Distress

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from the relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of laws and regulations

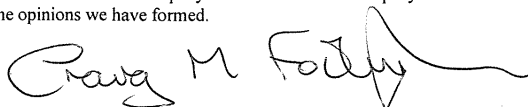
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatement in the financial statements, even though we had properly planned and performed our audit in accordance with accounting standards. For example the further removed non-compliance with laws and regulations from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standard would identify it.

In addition, with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and the 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Craig M Fotheringham CA BSc (Senior Statutory Auditor)

for and on behalf of The Kelvin Partnership Ltd

Statutory Auditor

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Chartered Accountants

The Cooper Building

505 Great Western Road

Glasgow

G12 8HN

20 May 2021

**Statement of Financial Activities
for the Year Ended 31 December 2020**

	Notes	Year Ended 31.12.20 Unrestricted funds £	Period 1.10.18 to 31.12.19 Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	2	451,828	1,128,626
Charitable activities	5		
Charitable activities		39,471	-
Other trading activities	3	116,572	131,338
Investment income	4	170	1,063
Total		608,041	1,261,027
 EXPENDITURE ON			
Raising funds	6	203,414	293,931
Charitable activities	7		
Charitable activities		492,696	697,131
Support costs		3,503	5,882
Governance costs		33,979	48,452
Total		733,592	1,045,396
NET INCOME/(EXPENDITURE)		(125,551)	215,631
 RECONCILIATION OF FUNDS			
Total funds brought forward		307,060	91,429
TOTAL FUNDS CARRIED FORWARD		181,509	307,060

Children in Distress

Balance Sheet
31 December 2020

	Notes	31.12.20 Unrestricted funds £	31.12.19 Total funds £
FIXED ASSETS			
Tangible assets	13	7,569	9,974
CURRENT ASSETS			
Debtors	14	13,557	19,800
Cash at bank and in hand		171,504	295,850
		<u>185,061</u>	<u>315,650</u>
CREDITORS			
Amounts falling due within one year	15	(11,121)	(18,564)
		<u>173,940</u>	<u>297,086</u>
NET CURRENT ASSETS			
		<u>181,509</u>	<u>307,060</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>181,509</u>	<u>307,060</u>
NET ASSETS			
		<u>181,509</u>	<u>307,060</u>
FUNDS	16		
Unrestricted funds		181,509	307,060
TOTAL FUNDS		<u>181,509</u>	<u>307,060</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 20 May 2021 and were signed on its behalf by:

H Ward

H Ward - Trustee

Children in Distress

Cash Flow Statement for the Year Ended 31 December 2020

	Notes	Year Ended 31.12.20 £	Period 1.10.18 to 31.12.19 £
Cash flows from operating activities			
Cash generated from operations	1	(124,516)	155,542
Net cash (used in)/provided by operating activities		<u>(124,516)</u>	<u>155,542</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(2,330)
Interest received		170	1,063
Net cash provided by/(used in) investing activities		<u>170</u>	<u>(1,267)</u>
Change in cash and cash equivalents in the reporting period			
		(124,346)	154,275
Cash and cash equivalents at the beginning of the reporting period		<u>295,850</u>	<u>141,575</u>
Cash and cash equivalents at the end of the reporting period		<u><u>171,504</u></u>	<u><u>295,850</u></u>



The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 December 2020

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Year Ended 31.12.20 £	Period 1.10.18 to 31.12.19 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(125,551)	215,631
Adjustments for:		
Depreciation charges	2,405	3,070
Interest received	(170)	(1,063)
Decrease/(increase) in debtors	6,243	(1,695)
Decrease in creditors	(7,443)	(60,401)
Net cash (used in)/provided by operations	(124,516)	155,542

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.20 £	Cash flow £	At 31.12.20 £
Net cash			
Cash at bank and in hand	295,850	(124,346)	171,504
	295,850	(124,346)	171,504
Total	295,850	(124,346)	171,504



**Notes to the Financial Statements
for the Year Ended 31 December 2020**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on cost

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2. DONATIONS AND LEGACIES

	Year Ended	Period
	31.12.20	1.10.18
	£	to
		31.12.19
		£
Donations	191,497	394,269
Gift aid	38,355	59,976
Legacies	89,476	410,546
Trust income	-	2,500
Donated services and facilities	132,500	261,335
	<u>451,828</u>	<u>1,128,626</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

3. OTHER TRADING ACTIVITIES

	Year Ended 31.12.20 £	Period 1.10.18 to 31.12.19 £
Fundraising events	57,004	2,454
Shop income	59,568	128,884
	<u>116,572</u>	<u>131,338</u>

4. INVESTMENT INCOME

	Year Ended 31.12.20 £	Period 1.10.18 to 31.12.19 £
Deposit account interest	170	1,063
	<u>170</u>	<u>1,063</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	Year Ended 31.12.20 £	Period 1.10.18 to 31.12.19 £
Council grants	Charitable activities	30,000	-
Job Retention Scheme	Charitable activities	9,471	-
		<u>39,471</u>	<u>-</u>

6. RAISING FUNDS

Raising donations and legacies

	Year Ended 31.12.20 £	Period 1.10.18 to 31.12.19 £
Shop wages	35,231	43,188
Shop rent and rates	23,383	33,500
Shop heat light and insurance	3,735	2,896
Shop repairs, sundries	1,085	388
Shop motor expenses	8,850	13,677
Printing, appeals	7,709	27,569
Salaries - fund raising	16,680	31,518
Wages and salaries - UK	71,534	77,472
Pensions	1,299	2,980
Rent and rates	19,004	26,087
Insurance	35	1,323
Postage, stationery	7,615	12,894
Motor expenses	77	932
	<u>196,237</u>	<u>274,424</u>
Carried forward	196,237	274,424

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

6. RAISING FUNDS - continued

Raising donations and legacies - continued

	Year Ended 31.12.20 £	Period 1.10.18 to 31.12.19 £
Brought forward	196,237	274,424
Telephone	1,832	2,255
Equipment leasing	1,194	2,992
Hotel and travel expenses	1,129	3,602
Sundry expenses - UK	977	113
Depreciation	2,045	2,616
Romanian royal visit	-	6,924
30th Anniversary event	-	1,005
	<u>203,414</u>	<u>293,931</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 8) £	Totals £
Charitable activities	360,196	-	360,196
Support costs	-	3,503	3,503
Governance costs	132,500	33,979	166,479
	<u>492,696</u>	<u>37,482</u>	<u>530,178</u>

8. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Support costs	3,503	-	3,503
Governance costs	-	33,979	33,979
	<u>3,503</u>	<u>33,979</u>	<u>37,482</u>

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	Year Ended 31.12.20 £	Period 1.10.18 to 31.12.19 £
Auditors' remuneration	6,000	8,370
Depreciation - owned assets	2,405	3,070
	<u>8,405</u>	<u>11,440</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the period ended 31 December 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the period ended 31 December 2019.

11. STAFF COSTS

	Year Ended 31.12.20 £	Period 1.10.18 to 31.12.19 £
Wages and salaries	12,624	16,043
	<u>12,624</u>	<u>16,043</u>

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

	Year Ended 31.12.20	Period 1.10.18 to 31.12.19
Charitable activities	7	9
	<u>7</u>	<u>9</u>

No employees received emoluments in excess of £60,000.

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	1,128,626
Other trading activities	131,338
Investment income	1,063
Total	<u>1,261,027</u>
EXPENDITURE ON	
Raising funds	293,931
Charitable activities	
Charitable activities	697,131
Support costs	5,882
Governance costs	48,452
Total	<u>1,045,396</u>
NET INCOME	<u>215,631</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

Unrestricted
funds
£

RECONCILIATION OF FUNDS

Total funds brought forward 91,429

TOTAL FUNDS CARRIED FORWARD 307,060

13. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 January 2020 and 31 December 2020	<u>4,000</u>	<u>16,100</u>	<u>54,720</u>	<u>74,820</u>
DEPRECIATION				
At 1 January 2020	4,000	12,673	48,173	64,846
Charge for year	<u>-</u>	<u>1,625</u>	<u>780</u>	<u>2,405</u>
At 31 December 2020	<u>4,000</u>	<u>14,298</u>	<u>48,953</u>	<u>67,251</u>
NET BOOK VALUE				
At 31 December 2020	<u>-</u>	<u>1,802</u>	<u>5,767</u>	<u>7,569</u>
At 31 December 2019	<u>-</u>	<u>3,427</u>	<u>6,547</u>	<u>9,974</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20	31.12.19
	£	£
Other debtors	6,585	12,460
VAT	227	866
Prepayments	<u>6,745</u>	<u>6,474</u>
	<u>13,557</u>	<u>19,800</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20	31.12.19
	£	£
Trade creditors	87	9,736
Social security and other taxes	742	1,846
Pension	382	1,198
Accrued expenses	9,910	5,784
	<u>11,121</u>	<u>18,564</u>

16. MOVEMENT IN FUNDS

	At 1.1.20	Net movement in funds	At 31.12.20
	£	£	£
Unrestricted funds			
General fund	307,060	(125,551)	181,509
	<u>307,060</u>	<u>(125,551)</u>	<u>181,509</u>
TOTAL FUNDS	<u>307,060</u>	<u>(125,551)</u>	<u>181,509</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	608,041	(733,592)	(125,551)
	<u>608,041</u>	<u>(733,592)</u>	<u>(125,551)</u>
TOTAL FUNDS	<u>608,041</u>	<u>(733,592)</u>	<u>(125,551)</u>

Comparatives for movement in funds

	At 1.10.18	Net movement in funds	At 31.12.19
	£	£	£
Unrestricted funds			
General fund	91,429	215,631	307,060
	<u>91,429</u>	<u>215,631</u>	<u>307,060</u>
TOTAL FUNDS	<u>91,429</u>	<u>215,631</u>	<u>307,060</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

16. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,261,027	(1,045,396)	215,631
TOTAL FUNDS	<u>1,261,027</u>	<u>(1,045,396)</u>	<u>215,631</u>

17. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2020.

18. GOING CONCERN AND SUBSEQUENT EVENTS

The charity's funding is currently under review and thus the entities dynamics may change moving forward.

Consideration of COVID - 19 is a factor for the organisation and could impact future funding streams, however the organisation currently has sufficient cash reserves and secured, in principal, much of their main funding streams in the short term. The management have also proactively implemented a COVID - 19 plan and financial framework for future sustainability.



Children in Distress

Detailed Statement of Financial Activities for the Year Ended 31 December 2020

	Year Ended 31.12.20 £	Period 1.10.18 to 31.12.19 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	191,497	394,269
Gift aid	38,355	59,976
Legacies	89,476	410,546
Trust income	-	2,500
Donated services and facilities	132,500	261,335
	<hr/>	<hr/>
	451,828	1,128,626
Other trading activities		
Fundraising events	57,004	2,454
Shop income	59,568	128,884
	<hr/>	<hr/>
	116,572	131,338
Investment income		
Deposit account interest	170	1,063
Charitable activities		
Council grants	30,000	-
Job Retention Scheme	9,471	-
	<hr/>	<hr/>
	39,471	-
Total incoming resources	<hr/>	<hr/>
	608,041	1,261,027
EXPENDITURE		
Raising donations and legacies		
Shop wages	35,231	43,188
Shop rent and rates	23,383	33,500
Shop heat light and insurance	3,735	2,896
Shop repairs, sundries	1,085	388
Shop motor expenses	8,850	13,677
Printing, appeals	7,709	27,569
Salaries - fund raising	16,680	31,518
Wages and salaries - UK	71,534	77,472
Pensions	1,299	2,980
Rent and rates	19,004	26,087
Insurance	35	1,323
Postage, stationery	7,615	12,894
Motor expenses	77	932
Telephone	1,832	2,255
Carried forward	198,069	276,679

This page does not form part of the statutory financial statements

Children in Distress

Detailed Statement of Financial Activities
for the Year Ended 31 December 2020

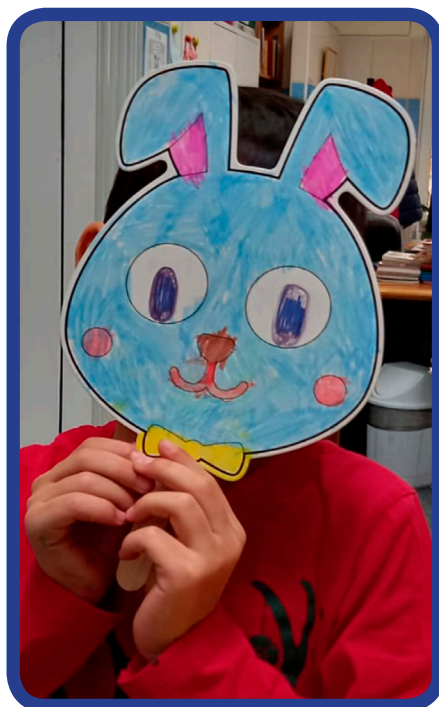
	Year Ended 31.12.20 £	Period 1.10.18 to 31.12.19 £
Raising donations and legacies		
Brought forward	198,069	276,679
Equipment leasing	1,194	2,992
Hotel and travel expenses	1,129	3,602
Sundry expenses - UK	977	113
Depreciation	2,045	2,616
Romanian royal visit	-	6,924
30th Anniversary event	-	1,005
	<hr/>	<hr/>
	203,414	293,931
Charitable activities		
Gifts in kind	107,500	241,335
Transfers to Romania	353,687	349,033
Travel and subsistence	-	6,106
Carriage and general transport	-	808
Staff training and welfare	500	6,430
Transport and warehousing	25,000	20,000
Supporters tour to Romania	-	24,400
Romanian scholarships	-	40,000
Telephone	1,628	2,136
Hotel and travel expenses	85	235
Bank charges	4,296	6,648
	<hr/>	<hr/>
	492,696	697,131
Support costs		
Management		
Pensions	102	244
Rent and rates	1,676	2,558
Insurance	65	120
Postage, stationery	571	1,128
Motor expenses	22	116
Telephone	611	854
Equipment leasing	105	287
Hotel and travel expenses	85	235
Sundry expenses - UK	86	113
Depreciation	180	227
	<hr/>	<hr/>
	3,503	5,882
Governance costs		
Wages	12,624	16,043
Auditors' remuneration	6,000	8,370
Accountancy fees	11,898	16,649
Pensions	102	244
Rent and rates	1,676	2,558
Carried forward	32,300	43,864

This page does not form part of the statutory financial statements

Children in Distress

Detailed Statement of Financial Activities
for the Year Ended 31 December 2020

	Year Ended 31.12.20 £	Period 1.10.18 to 31.12.19 £
Governance costs		
Brought forward	32,300	43,864
Insurance	65	120
Postage, stationery	571	1,128
Motor expenses	22	116
Equipment leasing	105	287
Sundry expenses - UK	86	910
Professional fees	536	1,500
Depreciation	180	227
Trustees expenses	114	300
	<u>33,979</u>	<u>48,452</u>
Total resources expended	<u>733,592</u>	<u>1,045,396</u>
Net (expenditure)/income	<u>(125,551)</u>	<u>215,631</u>



This page does not form part of the statutory financial statements

How to contact us and keep up to date with the Charity's work

The Children in Distress and Copii in Dificultate Websites are constantly being updated; reviewed and improved these sites reflect items of news and the changing nature of the Charity's work

www.childrenindistress.org

www.cid.org

Further contact information:

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G40UW

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Bucharest Sector 2

Tel/fax: +40-(0)21-210 31 21

E-mail: bucuresti@cid.org.ro

St Andrew's Complex of Child Care Services

B-dul. Petrochimistilor nr.18,

Pitești,

Argeș

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 Michael's School for Children with Autistic Spectrum Disorders

Neatarnarii rd.

Sector 1

Bucharest

Tell: +40-(0)21-667 64 33

E-mail: sf.mihail@cid.org.ro

To cure, sometimes; To help, often; To comfort, always.