

**Annual Report and Financial Statements
For the Period Ended
31st March 2009**

**Charity No. 1020488
Company No. 2815817**

Children in Crisis
Annual Report and Financial Statements
For the period ended 31st March 2009

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**Children in Crisis
Trustees' Report
For the period ended 31st March 2009**

Reference and Administrative Information

Charity Registration Number: 1020488

Company Registration Number: 2815817

Registered Address and Principal Office: 206-208 Stewart's Road
London SW8 4UB

Founder Members The Duchess of York
G. W. Harding
P.N. Szkiler

Trustees: O. Taffin de Givenchy (Chair)
M.A. Olbrich (Treasurer)
G.W. Harding
P.N. Szkiler
J. Lowther
D. Heisby
N. Kneale (resigned 4 September 2009)
Rev. W. Babatunde (resigned 4 September 2009)
A. Dedman (resigned 4 September 2009)
A. Loseff (resigned 4 September 2009)
Y. Ike
L. Wendel (appointed 4 September 2009)
G. Marchant (appointed 4 September 2009)
C. Ambler (appointed 4 September 2009)

Chief Executive: M O. McKeown

Auditors Kingston Smith LLP
Chartered Accountants
Devonshire House
60 Goswell Road
London EC1M 7AD

Bankers: Coutts & Company
440 Strand
London WC2R 0QS

Solicitors: Simmons & Simmons
CityPoint
1 Ropemaker Street
London EC2Y 9SS

Children in Crisis

Trustees' Report

For the period ended 31st March 2009 (Continued)

The trustees present their report and the financial statements for the period 31st March 2009.

Structure, Governance and Management

Children in Crisis is a company limited by guarantee, incorporated on 30th April 1993 and not having a share capital. It was also registered as a charity with the Charity Commission on 30th April 1993. Members of the Board of Trustees are the Directors of the company.

Trustees retire from office at each Annual General Meeting and are automatically eligible for re-election. New trustees with the necessary skills to contribute to the charity's management and development are nominated by members of the board of trustees, interviewed by a panel and appointed by a resolution taken by the Trustees. When new trustees are appointed they are given an introduction to the work of the Charity and provided with the information they need to fulfil their roles, which includes information about the role of trustees and charity law.

The Board of Trustees administers the charity, meeting bi-monthly. The Chief Executive is appointed by the Trustees to manage the day to day operations of the charity, reporting on the performance against the strategic plans approved by the Trustees.

Children in Crisis works closely with Children in Crisis Italy in implementing programmes. The Chief Executive of Children in Crisis is on the Board of Trustees of Children in Crisis Italy. CiC Italy fundraise for some of Children in Crisis overseas programmes and have recently implemented a drugs and alcohol education programme in Italy based on the **d:side** programme in the UK.

Risk Management

The Trustees consider the risks affecting the Charity and its activities as part of its short and long term planning procedures. These are reviewed regularly and plans amended accordingly to reduce risks to a level acceptable to Children in Crisis' governing body. In assessing risk the trustees recognise that some areas of our work require the acceptance and management of risk if our key objectives are to be achieved.

The key risks around Children in Crisis' ability to deliver its strategy are: the economic downturn affecting the amount of donations received to fund our work; conflict in the regions we operate preventing us from fulfilling our programmes; and failure to secure new contracts for operational programmes.

Objectives and Activities

The objects of the charity are the relief of hardship, distress and sickness of persons in need, particularly children, in any part of the world and is governed by its Memorandum and Articles of Association. Children in Crisis aims to achieve its objects by improving the education provided to children and their communities to enhance their lives. There are three key educational activities:

- School activities are largely teacher training and school building to enable more children to benefit from a higher standard of teaching and study in a more amenable, secure environment.
- Health education activities are partly training adults to provide better health care for the benefit of children in their community, partly training teachers on the provision of health education in schools, and partly informing children about important health issues they are likely to meet and empowering them to make positive and safe decisions about their lives.
- Community education activities deliver educational initiatives to benefit children who are unable to enrol in mainstream education.

Children in Crisis seeks out local partners in the countries in which it works to provide and implement programmes that deliver assistance to benefit the most disadvantaged children.

Children in Crisis

Trustees' Report

For the period ended 31st March 2009 (Continued)

Objectives and Activities (Continued)

We have referred to the guidance in the Charity Commission's general guidance on Public Benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

Achievements and Performance

Children in Crisis continues to develop its work in education with a particular focus on children in post conflict environments and in communities where HIV/AIDS has the potential to have a devastating effect. The charity's work benefits some of the most vulnerable children who have missed years of schooling because of war, displacement and poverty. Emphasis is placed on training teachers in the formal and non-formal sectors in primary education, peace-building, HIV/AIDS prevention and child protection.

Afghanistan

In 2008 Children in Crisis conducted an annual evaluation of the Karte Char Day Care Centre in Kabul, which found that as a result of the changing demographic of the Karte Char district the poorest families from Karte Char have been driven out and were having to travel long distances to reach the centre. In response to this and with the ongoing support of the Ministry of Education, Children in Crisis closed the Day Care Centre in December 2008, and turned its attention to providing education for some of the city's most vulnerable children through establishing Community-Based Education Centres. Three Centres were opened between January and March 2009 in the Masjid Safid (White Mosque), Déh Murad Khan and Char Qala areas of Kabul, following needs assessments that identified large numbers of out-of-school children. To date 195 children have taken part in accelerated learning classes, 95 young women have attended literacy classes, 55 students attended weekly art classes, 20 students received English and Maths classes, and 55 women have participated in tailoring classes both at the centres and within their communities.

Teacher Trainers from the charity continued to train teachers in Ghor and Badghis Provinces in a year long extension of the programme. This programme is currently in its sixth year and within the last year 1,198 teachers have received training in science, maths, geometry, teaching methodologies, development of low-cost materials, and Dari literature. In Ghor, the trainers conducted a workshop on science and maths with 46 mentors who then went on to train 500 teachers. The Teacher Trainers completed a 130 page manual containing 56 topics in three subjects: maths, geometry and science. This also included tips on how to make low-cost materials to support these lessons.

Children in Crisis has continued to provide education to two previously nomadic Kuchi communities. The Kuchi are a traditionally nomadic people who have now settled in and around Kabul and face marginalisation in society due to their traditional beliefs. Additionally, due to their lack of education they have found it difficult to integrate into urban life. The first Kuchi community project in Kabul entered its' second year in March 2009. Over the year, the programme provided classes to 80 children in grades three and four and delivered literacy classes to 63 young women and overage girls. The project came to an end in February 2009 once the children were successfully integrated into state run schools near their homes in grades four and five.

Children in Crisis provided education to a second Kuchi community in Qarabagh. 68 children in grade one attended classes, 41 girls and women received literacy training, 49 families received kits to encourage good health practices, and 30 men and 80 women attended child rights training. Furthermore, two women from the community were trained as teachers to a government recognised standard and have been provided with the materials required to continue instruction. This means teachers can continue teaching children within the community whilst families are travelling during the winter season. Children in Crisis has continued to carry out research into the education situation of the communities for future work with the communities.

Children in Crisis continued its social work coaching programme to address the multiple difficulties social work staff face in the provinces of Afghanistan, where they have little support from qualified people to assist them in coping with extremely difficult situations involving children. A team of mentors provided ongoing support, advice and solution-focused coaching sessions to 93 social

Children in Crisis

Trustees' Report

For the period ended 31st March 2009 (Continued)

Achievements and Performance (Continued)

Afghanistan (Continued)

workers in three provinces in the central region, enabling them to have increased knowledge about social work, child rights and child protection and to work in a way that respects children's rights and promotes and supports child protection. The first phase of the project came to an end in July 2008 and Children in Crisis was successful in securing funds to implement a second phase of the project, which aims to work in the three provinces of Bamiyan, Paktiya and Ghazni. The work has also been expanded into orphanages in Kabul.

China

Children in Crisis works in remote Western China on a healthcare project with local organisation, Jinpa. The programme, which began in January 2004, aims to establish health education and basic healthcare in the remote, rural areas of the Tibetan High Plateau by training young women from nomadic communities in basic health, hygiene, first aid and midwifery skills. Over the last year, Children in Crisis and Jinpa have continued to run a third midwife training course in Nangchen County, training 50 young women who have been chosen by their communities. The women took part in a seven month training course, strengthened by a month long refresher course, not only gaining valuable skills but also increasing their confidence. They learnt to perform dramas, puppet shows and role plays which they can use to convey important health messages to their villages about using condoms, how to treat diarrhoea, and how germs are spread. They also received supervisory visits in their villages to check their progress implementing their new skills.

Children in Crisis planned to carry out a health roadshow in Nangchen during the spring/summer of 2008, using the trained midwives as community educators. However, the health roadshow was banned by the Government, alongside all gatherings of Tibetans, due to the riots in Lhasa. The roadshow will now take place during the summer of 2009 and the trainers and educators will provide those attending with basic healthcare messages and information. Children in Crisis visited the programme early in 2009 to monitor the current programme and discuss potential future projects with Jinpa.

DRC

Children in Crisis aims to contribute to the improvement of education provision to benefit children in the isolated communities in the South Kivu region of DRC, and has continued to run a three-year teacher training project in partnership with Eben-Ezer Ministry International to provide training to teachers from schools across the Mid and High Plateau of South Kivu. During the year a total of 167 teachers took part in training sessions, where they were taught teaching methodology, including lesson planning, participatory methods, peace education, child rights and health education. In February 2009, the training team made their second and final observation visits to teachers from schools trained under the Year Two cohort of teachers and the programme has now moved into its third year.

Children in Crisis completed school construction at Bibokboko, Mishashu, Mikilate and Kigazura Primary Schools and identified sites for two new schools. Up to 1,200 children are benefiting from going to these schools each year and they are also being used in the afternoons for secondary education and community meetings.

A new partnership with a grassroots women's organisation, AFEC, was signed and a 13-month pilot project began in January 2009. This project aims to train 18 community based volunteers as literacy trainers from 10 locations across the mid and high Plateau of Bibokoboko District, who in turn will deliver literacy training to over 250 women.

Children in Crisis Trustees' Report For the period ended 31st March 2009 (Continued)

Achievements and Performance (Continued)

East Timor

Children in Crisis worked in partnership with the Instituto Católico para Formação de Professores and the Catholic Schools Foundation on a teacher training programme which trained 419 in-service primary school teachers in four districts of East Timor over the two year project. 326 teachers were accredited by the Australian Catholic University and a graduation ceremony was held in Baucau district, marking the end of the programme. The trained teachers are now using more creative and pedagogical approaches at school, which has proven to have positive effects on the engagement and interest of pupils in the lessons. Children in Crisis has developed a concept note for a new three year Teacher Training programme and has submitted this to the Ministry of Education who are keen to support the continuation of the work.

Children in Crisis worked in partnership with UNICEF and the Ministry of Education to conduct research into education in rural schools in East Timor which often have classes of children of varying ages and abilities (Multigrade teaching). A two day workshop to present the findings was held in March 2009 and attended by senior government officials in the Ministry of Education in East Timor who will use it to inform future educational policy on Multigrade teaching.

Children in Crisis concentrated on equipping the schools it has already built and rebuilt. After an in depth assessment of school building work and discussions with the Ministry of Education which emphasised the value they place on Children in Crisis's teacher training work and their desire for this to continue, Children in Crisis decided to focus future efforts on teacher training and not build any more schools.

Liberia

Children in Crisis completed the first year of a teacher training project in partnership with FAWE (Forum for African Women Educationalists) Liberia. During this time 100 teachers increased their skills and confidence in the classroom and increased their capacity to support children in a safe and healthy school environment. Children attending 18 schools in Montserrado are benefiting from the improved skills of their teachers and from the provision of basic teaching materials. As part of the project, Children in Crisis supported FAWE Liberia's organisational development through facilitating financial training courses and providing individual staff training, which resulted in the development of a new FAWE Liberia Financial Procedures document. FAWE staff also received training on designing and implementing a Child Protection Policy and worked with a consultant to begin formulating a Strategic Plan.

Additionally, Children in Crisis worked with FAWE on a school rebuilding project. 53 girls have regularly taken part in Girls Club activities at a school Children in Crisis opened in July 2007. These activities help them and their communities address some of the barriers to girls' accessing education. Construction work on a second school was completed in October 2008 and 204 children at the school are benefiting from access to a new school with trained teachers. Building work on another school began in May 2008 and when the school was formally opened in February 2009 432 children were enrolled.

Children in Crisis Trustees' Report For the period ended 31st March 2009 (Continued)

Achievements and Performance (Continued)

Sierra Leone

Educationalists) on an HIV/AIDS education programme for children in primary schools in both the capital Freetown and in a rural town, Kambia. In May 2008, a three year programme was launched, building on the experience of the previous four year programme. Throughout the year 14 Community Teacher Associations (CTAs), 240 parents and 105 teachers were trained in HIV and AIDS Prevention using participatory methodologies.

Children in Crisis also worked on a school rebuilding programme. Construction on one school in Makeni was completed in December 2008 and the school has 173 students and a pass rate of 95% in the National Primary School Examinations (NSPE). Work on another two schools in Bo and Mogbwemo started in December 2008. The construction of a playground was completed at FAWE Girls Primary School in Port Loko, which Children in Crisis refurbished in 2007 and which provides education for over 275 children.

Tanzania

After a visit to Tanzania in June 2007 to evaluate the project and meet with other organisations to investigate working with a new partner, Children in Crisis decided to work with FAWE (Forum for African Women Educationalists) Tanzania on an HIV/AIDS education programme for secondary school teachers and students. However, it has not been possible to secure adequate funds for this programme and as such the decision was taken not to enter into this work for the moment.

UK

The **d:side** programme in London expanded into four new boroughs, delivering interactive drug and alcohol education to primary school children in Lambeth, Lewisham, Tower Hamlets and Wandsworth, as well as continuing to work in Southwark. A new mobile classroom was purchased and used to deliver education sessions in the new areas. In 2008/9, approximately 8,700 children benefited from the programme. However, changes in Central Government funding streams meant Children in Crisis had to close the London programme in December 2008 due to a lack of sufficient and ongoing funds. Children in Crisis was keen to offer support to schools to continue providing effective drug and alcohol education and developed primary school resource packs that can be used by teachers to deliver interactive and engaging sessions. Children in Crisis also began work on secondary school materials and embarked on a media project with a group of college students in Southwark to make a film raising awareness about drug and alcohol misuse. The aim is for the film to be part of the secondary school resource packs.

In the 2007/8 period the Leeds programme benefited approximately 24,400 children across 94 primary schools. In the 2008/9 academic year the programme stopped delivering sessions to Key Stage One and focused on Key Stage Two because this is increasingly where the need is greatest. This means that by the end of the 2008/9 academic year, the team expect to reach around 127 schools, benefiting 23,000 children. The team worked with the West Yorkshire Police to deliver drug and alcohol awareness sessions to years five and six pupils, and developed and piloted teacher training materials and resource packs for teachers. The Leeds programme secured funding from Children Leeds to continue to deliver the programme for a further two years across the entire Leeds area.

Children in Crisis Trustees' Report For the period ended 31st March 2009 (Continued)

Achievements and Performance (Continued)

Ukraine

Children in Crisis has continued to provide drugs and alcohol education to children and young people. During the last year approximately 12,000 primary school children across the Chervonozavodskij districts of Kharkov, October and Lenin. The teacher training pilot was expanded and small seminars were held with teachers from schools receiving drug and alcohol education sessions.

The team completed a three day psychology training course in Russia, which emphasized assisting adolescents with more effective learning, especially those with learning difficulties. This training is particularly useful for developing work with adolescents around sensitive issues such as drugs and alcohol, as well as around the component in the current programme that addresses HIV/AIDS. Research was also carried out by the team this year into other organisations working in HIV/AIDS education.

Financial Review

The period covered by these accounts is an 11 month period from 1st May 2008 to 31st March 2009 as we move our financial year to be in line with the fiscal year and most other charities. This needs to be taken into account when comparing this period's results with the previous year.

The total income for the period was £2.4m which compares favourably with the previous year. Individual donations, grant and event income are all higher than the previous year as we continued to develop these income streams. There was a drop in contract income from institutional donors for some of our programmes that caused concern in the year and led to the closure of the London programme as reported in the Achievements and Performance section above. We are looking at ways to increase support from institutional donors.

The cost of generating funds increased in the period reflecting our continued investment in attracting new supporters to the charity and a more ambitious gala event in the autumn of 2008. The amount spent on charitable activities was the same as the previous year at £1.8m.

The total expenditure was more than total income partly a result of timing difference between receiving and spending restricted funds. There were significant restricted funds brought forward from the previous financial year, much of which was spent during the reported period. Some of the restricted funds received during this period have been carried forward to continue the delivery of programmes next financial year. There was a deficit on unrestricted funds as we tried to maintain programmes in the short term, while seeking new funding, and increased our investment in fundraising for the long term benefit of the charity.

Children in Crisis Trading

The charity has one wholly owned subsidiary, Children in Crisis Trading Limited. It was established as a fundraising company for the charity. Since 1 May 2008, a separate fundraising company is no longer required and fundraising activities now go through Children in Crisis. Therefore, from 1 May 2008, the trading company is now dormant.

Children in Crisis

Trustees' Report

For the period ended 31st March 2009 (Continued)

Investments

The charity may invest amounts not immediately required for the above objectives in such investments, securities or property as may be thought fit, subject nevertheless to such conditions and such consents as may for the time being be imposed or required by law.

The Trustees' investment policy is to hold cash reserves on money market deposits so as to safeguard the capital value of the reserves.

Reserves Policy

We recognise the need to have reserves in place to ensure the continuation of our programmes in the event of an unforeseen downturn. This is particularly true for a charity like Children in Crisis, which is going through a period of growth, where reliable income streams are being established. We are also very conscious of the need to balance the necessity for reserves with our intrinsic drive for providing value for money and maximising the resources available for our programmes. To this end, we try to achieve a reserve of three to six months of operating costs, which equates to between £421,000 and £842,000. Total free reserves at 31 March 2009 were £288,066 (2008: £441,074). The trustees are considering ways of raising additional funds to reach the target.

Plans for Future Periods

Afghanistan

Children in Crisis will continue to develop the work in the three new Community Based Education Centres around the Kabul area and will seek funds to expand to another two centres to establish five altogether. Through these five centres Children in Crisis aims to provide 780 children with Accelerated Learning Classes for grades one and two so they are able to attend government schools in years three and four.

The regional teacher training programme is now in its sixth phase and will come to an end in May 2010. Over the next year, the Teacher Trainers will continue to train teachers in basic teaching methodology, lesson planning, participatory methods, and peace and health education.

The Social Worker Training project has been extended until November 2009 and Children in Crisis is seeking funds as part of a consortium to continue this work. The aim of the project would be to strengthen community based protection mechanisms for vulnerable and 'at risk' children in 11 Provinces of Afghanistan including community-based and institutional child protection support services that offer alternatives to institutionalization and durable solutions to children. It would be implemented over a three-year period and would aim to provide increased support and community based protection to 6,940 children and their caregivers.

Children in Crisis has submitted proposals to continue working with two Kuchi communities and during the next year will continue to research into Kuchi communities and develop new proposals for working with them. The new projects would be implemented over one year and would aim to provide accelerated learning for 60 Kuchi children each living in villages, one-hour outside Kabul, so that they are able to join the government education system. They would also train two community members as primary teachers and deliver literacy training for up to 40 women and girls in each of the centres.

China

Children in Crisis plans to run a 'Health Education for Remote Rural Schools/Communities' programme that will be implemented over the summer months in 2009 and 2010. This programme will run workshops in local venues which will be partly run by some of the young women taking part in the midwife training. The programme aims to address the lack of education of any kind and particularly of hygiene and health education, and particularly the situations many women find themselves in due to lack of access to information about health.

Children in Crisis Trustees' Report For the period ended 31st March 2009 (Continued)

Plans for Future Periods (Continued)

DRC

Over the next year of the Teacher Training programme, Children in Crisis plans to train at least 140 teachers from 35 schools. Training will take place over the summer of 2009 and an external evaluation will be conducted during September-October 2009. Children in Crisis will also continue to work on the two school building sites and the women's literacy pilot.

East Timor

Children in Crisis has been holding discussions with the government for a new three-year Teacher Training project. Children in Crisis has also been approached by Plan East Timor to deliver the teacher training component of their 'Healthy Children in Child-friendly Schools Project'. Training will be delivered to 46 in-service primary school teachers as well as to PLAN staff.

Liberia

Children in Crisis will deliver the second year of the Girls Education Project, training teachers, running girls clubs, building the capacity of the trainers, running a vocational training centre, and providing classes to children. Children in Crisis will also continue to work closely with FAWE on organisational development. Additionally, efforts will focus on submitting proposals to secure funding to complete the final two years of the women's literacy project.

Sierra Leone

During the next year of the HIV/AIDS education programme Children in Crisis will train 135 teachers, 34 CTA members and 680 parents. Children in Crisis will continue to explore the possibilities of pursuing a new girls' education project based on a thorough needs assessment during a trip to Sierra Leone in January-February 2009, and will seek to identify and secure funding for this education project.

UK

In London Children in Crisis will complete the current work on resource packs for primary and secondary schools, and will distribute these packs to all the schools in the London borough of Southwark. These packs will also be available to schools in other boroughs through a web based platform. Children in Crisis will also complete the media project, the culmination of which will be a screening event to promote the film.

In Leeds, the **d:side** team will embark on a two-year programme delivery. This will aim to reach all the primary schools in the Leeds area. The team will visit each school on a bi-annual basis and will offer training to all staff members. Additionally, schools will be offered a series of lesson plans and resources so they are able to deliver the service themselves in the year **d:side** do not visit.

Ukraine

The team in Ukraine will continue to work on developing materials that can be used in drug and alcohol education sessions, drawing on their training course in Russia. Children in Crisis will also carry out an evaluation of the programme and assess the scope of the charity's relationship with the implementing partner organisation.

**Children in Crisis
Trustees' Report
For the period ended 31st March 2009 (Continued)**

Statement of Trustees' Responsibilities

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

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 group and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

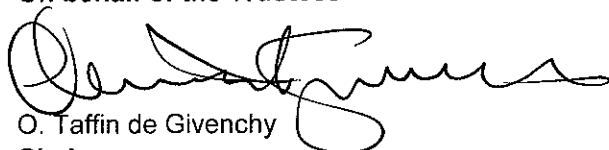
Disclosure of Information to Auditors

So far as the trustees are aware, there is no relevant audit information of which the company's auditors are unaware. The trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Kingston Smith LLP have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors for the ensuing year.

On behalf of the Trustees


O. Taffin de Givenchy
Chairman

Date: 3 SEPTEMBER 2009

Independent Auditor's Report to the Members of Children in Crisis

We have audited the financial statements of Children in Crisis for the period ended 31st March 2009 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditors' report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and company's members as a body, for our work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditors

The trustees' (who are also the directors of Children in Crisis for the purposes of company law) responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with 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 and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006 and the Charities Act 1993. We also report to you whether, in our opinion, the Trustees' Annual Report is consistent with the financial statements. In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read other information contained in the Trustees' Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of Audit 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 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 of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charity's and the group's affairs as at 31st March 2009 and of their incoming resources and application of resources, including the income and expenditure for the period then ended, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Companies Act 2006 and the Charities Act 1993; and the Trustees' Annual Report is consistent with the financial statements.

Neil Finlayson

Neil Finlayson (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor

Date: 3/4 / 2009

Devonshire House
60 Goswell Road
London EC1M 7AD

Children in Crisis
Consolidated Statement of Financial Activities
For the period ended 31st March 2009

Income and Expenditure Account		Unrestricted Funds	Restricted Funds	Total 11 months ending 31 Mar-09	Total 12 months ending 30 Apr-08
	Note	£	£	£	£
Incoming resources					
<i>Incoming resources from generated funds:</i>					
Voluntary income:					
Legacies		2,660	-	2,660	5,480
Grants		40,740	314,877	355,617	312,218
Donations		737,349	520,565	1,257,914	1,228,219
<i>Activities for generating funds:</i>					
Event income		254,336	-	254,336	222,355
Investment income		48,325	-	48,325	63,572
<i>Incoming resources from charitable activities:</i>					
Contracts for operational programmes	2	-	523,020	523,020	723,953
Total Incoming Resources		<u>1,083,410</u>	<u>1,358,462</u>	<u>2,441,872</u>	<u>2,555,797</u>
Less: Costs of Generating Funds					
Cost of generating voluntary income	4	660,313	-	660,313	525,410
Cost of events		141,449	-	141,449	85,239
		<u>801,762</u>	<u>-</u>	<u>801,762</u>	<u>610,649</u>
Net Incoming Resources available for Charitable Application		<u>281,648</u>	<u>1,358,462</u>	<u>1,640,110</u>	<u>1,945,148</u>
Charitable expenditure					
Charitable activities	5				
Education - Community		107,415	374,658	482,073	551,531
Education - Health		118,532	407,889	526,421	665,281
Education - Schools		138,635	650,537	789,172	598,657
Governance costs	6	36,579	-	36,579	34,406
Total charitable expenditure		<u>401,161</u>	<u>1,433,084</u>	<u>1,834,245</u>	<u>1,849,875</u>
Total resources expended		<u>1,202,923</u>	<u>1,433,084</u>	<u>2,636,007</u>	<u>2,460,524</u>
Net incoming / (outgoing) resources		(119,513)	(74,622)	(194,135)	95,273
Other recognised gains and losses:					
Gain / (loss) on investments		9	-	9	(1,841)
Total funds brought forward		448,478	1,034,324	1,482,802	1,389,370
Total funds carried forward		<u>328,974</u>	<u>959,702</u>	<u>1,288,676</u>	<u>1,482,802</u>

All amounts relate to continuing activities.

The notes on pages 15 to 22 form part of these financial statements.

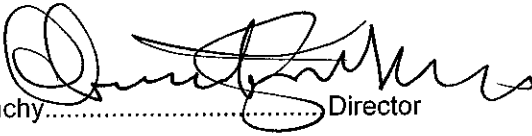
Children in Crisis

Consolidated Balance Sheet at 31st March 2009

	Note	2009 £	2009 £	2008 £	2008 £
Fixed Assets					
Tangible assets	9		76,314		10,834
Investments	10		<u>6,167</u>		<u>6,158</u>
			82,481		16,992
Current Assets					
Debtors	11	97,561		306,076	
Cash at bank and in hand		<u>1,210,130</u>		<u>1,296,530</u>	
		1,307,691		1,602,606	
Creditors: Amounts falling due within one year	12	<u>(101,496)</u>		<u>(136,796)</u>	
Net Current Assets			<u>1,206,195</u>		<u>1,465,810</u>
Total Assets less Current Liabilities			<u><u>1,288,676</u></u>		<u><u>1,482,802</u></u>
Funds					
Restricted funds	13		959,702		1,034,324
Unrestricted funds:					
Funds represented by functional fixed assets			40,908		7,404
Free reserves			<u>288,066</u>		<u>441,074</u>
			<u><u>1,288,676</u></u>		<u><u>1,482,802</u></u>

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

3/9/09


 O. Taffin de Givenchy..... Director

The notes on pages 15 to 22 form part of these financial statements.

Children in Crisis

Balance Sheet at 31st March 2009

	Note	2009 £	2009 £	2008 £	2008 £
Fixed Assets					
Tangible assets	10		76,314		10,834
Investments	11		<u>6,169</u>		<u>6,160</u>
			82,483		16,994
Current Assets					
Debtors	12	97,561		394,549	
Cash at bank and in hand		1,210,130		1,205,697	
		<u>1,307,691</u>		<u>1,600,246</u>	
Creditors: Amounts falling due within one year	13	<u>(101,496)</u>		<u>(134,436)</u>	
Net Current Assets			<u>1,206,195</u>		<u>1,465,810</u>
Total Assets less Current Liabilities			<u><u>1,288,678</u></u>		<u><u>1,482,804</u></u>
 Funds					
Restricted funds	14		959,702		1,034,324
Unrestricted					
Funds represented by functional fixed assets			40,908		7,404
Free reserves			<u>288,068</u>		<u>441,076</u>
			<u><u>1,288,678</u></u>		<u><u>1,482,804</u></u>

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

3/9/09

O. Taffin de Givenchy



Director

The notes on pages 15 to 22 form part of these financial statements.

Children in Crisis

Notes to the Financial Statements

For the period ended 31st March 2009

1 Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments. The financial statements have been prepared in accordance with the Statement of Recommended Practice -Accounting and Reporting by Charities (SORP 2005) published in March 2005, applicable accounting standards and the Companies Act 2006.

The consolidated accounts incorporate the financial statements of the charity and all of its subsidiary undertakings. The results of the subsidiary are consolidated on a line by line basis.

Stocks

Stocks are valued at the lower of cost or net realisable value. Unsold donated items are not included.

Income

All grants and voluntary income are accounted for gross when receivable, as long as they are capable of financial measurement. This includes gifts in kind, included at estimated valuation.

Legacies are accounted for as incoming resources when the charity becomes legally entitled to the income and the when the amount can be quantified with reasonably accuracy. The charity is deemed to be legally entitled to legacy income from the date of notification of an impending distribution, or if later, receipt of the legacy.

Expenditure

All expenditure is accounted for gross, and when incurred. Irrecoverable VAT is charged against the category of resources for which it was incurred.

Charitable activities: Charitable activities includes the direct costs of the activities and depreciation on related assets and the proportion of overheads to support these costs. It includes the direct costs of relieving the hardship, distress and sickness of the persons in need.

Cost of generating funds: The cost of generating funds include the direct cost of fundraising activities and the proportion of the overheads of Children in Crisis required to support these activities.

Governance costs: Governance costs comprise all costs incurred in the governance of the charity. These costs include costs related to statutory audit together with an apportionment of overhead and support costs.

Allocation of overheads and support costs: Overhead and support costs include central functions and have been allocated to categories on a basis consistent with the use of resources e.g staff costs by the time spent.

Depreciation

Tangible fixed assets costing more than £500 are capitalised. Depreciation is provided on tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful lives as follows:

Plant	over 4 years
Furniture and equipment	over 4 years
Motor vehicles	over 4 years

Assets for use in overseas operational projects are not capitalised but expensed in the period of acquisition.

Investments

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

Children in Crisis

Notes to the Financial Statements

For the period ended 31st March 2009 (Continued)

1 Accounting Policies (Continued)

Funds

Unrestricted funds are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

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

Gifts in Kind

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

Foreign Currency

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

Parent Undertaking's Income and Expenditure

As permitted by section 230 of Companies Act 1985 and paragraph 304 of the SORP, the income and expenditure of the parent undertaking is not presented as part of these accounts. The consolidated income and expenditure account includes a deficit of £194,135 (2008 - surplus of £93,432) which is dealt with in the accounts of the parent undertaking.

Leased Assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight line basis over the term of the lease.

Pension Costs

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

Cash Flow Statement

The group has taken advantage of the exemption under FRS 1 not to prepare a cash flow statement as the group is small.

	11 months ending 31 March 2009	12 months ending 30 April 2008
2 Contracts for operational programmes		
Big Lottery	129,242	132,048
Comic Relief	128,000	160,000
European Commission	16,567	155,855
German Embassy (Afghanistan)	32,145	-
Leeds City Council	38,564	77,127
London Borough of Southwark	-	85,777
Unicef	121,227	70,244
World Vision	26,211	16,728
Other	31,064	26,174
	<u>523,020</u>	<u>723,953</u>

Children in Crisis
Notes to the Financial Statements
For the period ended 31st March 2009 (Continued)

3	Trading subsidiary	2009	2008
	Turnover	-	222,355
	Cost of sales	-	(74,148)
	Administration expenses	-	(11,091)
		<hr/>	<hr/>
		-	137,116
	Gift Aid	-	(137,116)
	Net Profit	<hr/>	<hr/>
		-	-

The Trading subsidiary became dormant on 1 May 2008.

4 Cost of generating voluntary income

		Total	Total
	Group	2009	2008
		£	£
	Staff costs	220,862	205,135
	Other direct fundraising costs	409,934	289,805
	Support costs	29,517	30,470
		<hr/>	<hr/>
		660,313	525,410
		<hr/>	<hr/>

5 Cost of activities in furtherance of the objects of the charity

				Total	Total
				11 months	12 months
				ending 31	ending 30
				March 2009	April 2008
	Education -	Education -	Education -	£	£
	Community	Health	Schools		
	£	£	£		
Afghanistan	292,861	-	116,166	409,027	507,070
China	-	33,378	-	33,378	63,634
DRC	11,415	-	170,202	181,617	294,347
East Timor	-	-	238,171	238,171	147,450
Liberia	45,299	-	239,723	285,022	89,467
Poland	-	-	-	-	53,251
Sierra Leone	-	150,696	24,399	175,095	151,127
Sri Lanka	128,886	-	-	128,886	113,548
Tanzania	-	-	-	-	38,560
Ukraine	-	9,400	-	9,400	11,735
United Kingdom	-	330,067	-	330,067	345,280
Other	3,612	2,880	511	7,003	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	482,073	526,421	789,172	1,797,666	1,815,469
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Programme expenditure includes goods in kind in relation to the donation of food, equipment and services towards our various programmes. The amount included for each donation is a market value estimate of the cost to Children in Crisis of purchasing the goods or services. The amount of goods in kind provided was £29,900 (2008: £32,400). This includes £28,800 (2008: £28,800) relating to rent of offices and £1,100 (2008: £3,600) relating to flights.

Children in Crisis
Notes to the Financial Statements
For the period ended 31st March 2009 (Continued)

6 Analysis of support costs				Total 11 months ending 31 March 2009	Total 12 months ending 30 April 2008
Group	Charitable activities £	Voluntary income generation £	Governance £	£	£
Support staff costs	135,962	18,295	15,705	169,962	174,551
Office costs	67,707	8,034	8,034	83,775	85,145
Communications	15,674	1,959	1,959	19,592	25,428
Legal & Professional	9,833	1,229	10,881	21,943	16,687
	<u>229,176</u>	<u>29,517</u>	<u>36,579</u>	<u>295,272</u>	<u>301,811</u>

Support costs are allocated on the basis of staff time.

7 Auditors' remuneration		Total 11 months ending 31 March 2009	Total 12 months ending 30 April 2008
Group		£	£
Auditors' remuneration		9,085	9,100
Statutory UK audit		3,760	3,208
Other			
		<u>12,845</u>	<u>12,308</u>

8 Staff Costs		Total 11 months ending 31 March 2009	Total 12 months ending 30 April 2008
Group		£	£
Wages and salaries		693,519	743,047
Social security costs		66,055	62,124
Pension costs		35,035	35,184
		<u>794,609</u>	<u>840,355</u>

The total average monthly number of employees by function was:

	2009 No.	2008 No.
Management and administration	3	3
Project operation and logistics	17	17
Fundraising	8	7
	<u>28</u>	<u>27</u>

No employee earned more than £60,000 in the year.

The trustees did not receive any remuneration nor reimbursed expenses during the year (2008 - Nil).

Children in Crisis
Notes to the Financial Statements
For the period ended 31st March 2009 (Continued)

9 Tangible Fixed Assets

Group and Charity	Furniture and Office Equipment £	Motor Vehicles £	Total £
Cost			
At 1st May 2008	39,459	146,352	185,811
Additions	-	94,530	94,530
	<u>39,459</u>	<u>240,882</u>	<u>280,341</u>
At 31st March 2009	39,459	240,882	280,341
Depreciation			
At 1st May 2008	32,055	142,922	174,977
Charge for the year	3,702	25,348	29,050
	<u>35,757</u>	<u>168,270</u>	<u>204,027</u>
At 31st March 2009	35,757	168,270	204,027
Net Book Value			
At 31st March 2009	<u>3,702</u>	<u>72,612</u>	<u>76,314</u>
At 30th April 2008	<u>7,404</u>	<u>3,430</u>	<u>10,834</u>

Motor vehicles are mobile classrooms with a net book value of £72,612 (2008 - £3,426).

At the period end, the charity had capital commitments of £nil (2008-£30,284).

10 Investments

	Group		Charity	
	2009 £	2008 £	2009 £	2008 £
Market value at 1st May 2008	6,158	8,000	6,160	8,002
Unrealised gain/(loss) in the year	<u>9</u>	<u>(1,842)</u>	<u>9</u>	<u>(1,842)</u>
Market value at 31st March 2009	<u>6,167</u>	<u>6,158</u>	<u>6,169</u>	<u>6,160</u>

The investments listed on a recognised stock exchange are analysed as follows:

	2009 £	2008 £
Pearson	3,906	4,036
Glaxosmithkline	<u>2,261</u>	<u>2,122</u>
	<u>6,167</u>	<u>6,158</u>

The investments were originally donated and the book value at this time was £12,501. All investments are in the UK. Investments held by the charity also include an additional £2 (2008: £2) investment in the subsidiary company at cost.

Children in Crisis
Notes to the Financial Statements
For the period ended 31st March 2009 (Continued)

11 Debtors

	Group		Charity	
	2009	2008	2009	2008
	£	£	£	£
Trade debtors	70,310	209,563	70,310	209,563
Amounts owed by group company	-	-	-	88,473
Prepayments	27,251	96,513	27,251	96,513
	<u>97,561</u>	<u>306,076</u>	<u>97,561</u>	<u>394,549</u>

12 Creditors: Amounts falling due within one year

	Group		Charity	
	2009	2008	2009	2008
	£	£	£	£
Trade creditors	13,369	36,148	13,369	36,148
Other creditors	42,475	59,663	42,475	59,663
Other taxation and social security	21,617	23,550	21,617	23,550
Accruals and deferred income	24,035	17,435	24,035	15,075
	<u>101,496</u>	<u>136,796</u>	<u>101,496</u>	<u>134,436</u>

Included in above is £2,342 (2008 - £4,243) of pension costs outstanding at year end.

Children in Crisis
Notes to the Financial Statements
For the period ended 31st March 2009 (Continued)

13 Group Restricted Funds

	Balance 1st May 2008 £	Incoming Resources and Transfers £	Outgoing Resources and Transfers £	Balance 31st March 2009 £
Afghanistan - EC (Street Children)	(16,437)	16,567	130	-
Afghanistan - General	53,137	294,304	284,500	62,941
China - Midwives	155,439	4,505	34,558	125,386
China - Other	5,099	796	-	5,895
DRC - Schools	32,354	86,293	35,678	82,969
DRC - Teacher Training	82,492	117,253	106,569	93,176
DRC - Other	-	49,145	8,856	40,289
East Timor - BIG Teacher Training	37,575	129,242	166,817	-
East Timor - General	15,087	32,705	33,857	13,935
Liberia- Teacher training	129,791	133,730	141,114	122,407
Liberia - Other	65,608	69,225	95,613	39,220
Sierra Leone	26,976	179,514	146,337	60,153
Sri Lanka	293,085	80,642	128,866	244,861
Ukraine	-	11,171	7,856	3,315
United Kingdom - Cody Hall	9,502	-	9,502	-
United Kingdom - Leeds d:side	33,017	82,507	115,524	-
United Kingdom - London d:side	111,599	65,674	112,118	65,155
Other	-	5,189	5,189	-
	<u>1,034,324</u>	<u>1,358,462</u>	<u>1,433,084</u>	<u>959,702</u>

Afghanistan

Funds were received through operational contracts, trusts and donations.

China

Funds were received from trusts and donations.

DRC

Funds were received from trusts and donations.

East Timor

Funds were received from BIG, trusts and donations.

Liberia

Funds were received from Comic Relief, trusts and donations.

Sierra Leone

Funds were received from BIG, trusts and donations.

Sri Lanka

Income to fund the Sri Lanka programme was received through donations.

Ukraine

Funds were received from trusts.

UK Programme - **d:side**

The Children in Crisis **d:side** Programme is based in Leeds and Southwark (London), the funding for these projects is received from local authority contracts, trusts, groups, schools and other donations. The programme receives both cash and gifts in kind.

Children In Crisis
Notes to the Financial Statements
For the year ended 30th April 2008 (Continued)

14 Analysis of Group Net Assets between Funds

	Tangible Fixed Assets £	Investments £	Net Current Assets £	Total 2009 £	Total 2008 £
Unrestricted Funds	40,908	6,167	281,899	328,974	448,478
Restricted Funds					
Afghanistan	-	-	62,941	62,941	36,700
China	-	-	131,281	131,281	160,538
DRC	-	-	216,433	216,433	114,846
East Timor	-	-	13,936	13,936	52,662
Liberia	-	-	161,627	161,627	195,400
Sierra Leone	-	-	60,153	60,153	26,976
Sri Lanka	-	-	244,861	244,861	293,085
Ukraine	-	-	3,315	3,315	-
United Kingdom	35,406	-	29,749	65,155	154,177
	<u>35,406</u>	<u>-</u>	<u>924,296</u>	<u>959,702</u>	<u>1,034,384</u>
Total Funds	<u>76,314</u>	<u>6,167</u>	<u>1,206,195</u>	<u>1,288,676</u>	<u>1,482,862</u>

15 Limited Liability

Children in Crisis is a company limited by guarantee. The Memorandum and Articles of Association restrict the liability of members on winding up to £10. In case of winding up none of the accumulated funds are distributable to the members, but shall be given, or transferred to, some other charitable institution having similar objectives.

16 Subsidiary Company

Children in Crisis owns 100% of the two £1 ordinary shares in Children in Crisis Trading Limited, a company registered in England and Wales. Up to 30 April 2008, Children in Crisis Trading Limited acted as a fundraising company for Children in Crisis. Since this date, the fundraising activities have gone through Children in Crisis and the separate fundraising company is no longer required. Therefore from 1 May 2008, the trading company has been dormant. At 31st March 2009 its aggregate capital and reserves amounted to £2 net assets.

17 Future financial commitments

At 31 March 2009, the group had annual commitments under non-cancellable operating leases as set out below:

	2009 £	2008 £
	Land and Building	
Operating leases which expire:		
in the second to fifth years	<u>47,150</u>	<u>48,175</u>