

A YEAR OF CELEBRATIONS

FARA ANNUAL REVIEW 2016



FARA 
a family for those without

25 YEARS · 1991 - 2016

www.faracharity.org

FARA FOUNDATION

Chairman

Jane Nicholson MBE

Royal Patron

HRH The Prince of Wales

Patron

Princess Marina Sturdza

Trustees

Richard Chalk

Siobhan Cross

Lucinda Dawson

Mary-Jo Hill

Donald Morton

Jane Nicholson

Michael Nicholson

Our vision

FARA's vision is of a world in which all children and young people, whatever their social status, ethnicity or religion, grow up with freedom and dignity in a loving, protective environment, experiencing fulfilled lives whatever their ability, built on a foundation of Christian values.

Our mission

FARA's mission is to transform the lives of children and young people in our care, providing a loving family, healing of past traumas, special needs education, training for employment and education to tackle poverty some of the poorest rural communities.

Chairman's introduction

The year 2016 was FARA's 25th Anniversary and as such a time to celebrate and to look back on the charity's remarkable achievements over the past quarter-century. Our anniversary events began in the UK with a charity concert in February in London's Carmelite Priory church and continued with an ambitious and very successful celebration in Bucharest in May.

We were pleased to be able to welcome a large number of friends and supporters to our evening in Bucharest, including the British Ambassador to Romania, His Excellency Paul Brummel and one of FARA Romania's best-known supporters, the singer Felicia Filipe. (Felicia subsequently agreed to become Patron of FARA Romania.) Also attending were children and young people from our projects in Suceava County and Bucharest – along with many of FARA's staff and volunteers. It was a particularly memorable occasion for the children, who were offered two days of treats and activities the climax of which was a specially staged performance of Jack and the Beanstalk at Bucharest Children's Opera.

The year's celebrations ended with a reception for our friends and supporters at Clarence House, London, in the presence of His Royal Highness the Prince of Wales, FARA's Royal Patron. We were greatly honoured to be invited to this event by the Prince, for whose continued strong support we remain extremely grateful.

During our anniversary year we continued to energetically develop and strengthen our programmes, ensuring that as many children and young people as possible are benefitting from our services.



Jane Nicholson MBE
Chairman of Trustees



Young people with HRH The Prince of Wales, Clarence House celebrations, December 2016

ABOUT FARA

The FARA Foundation (FARA) is a registered charity both in the U.K. and in Romania. Details of the Charity's Trustees and principle officers can be found on page 2 of this report. FARA has been working with vulnerable and neglected children and young people in Romania since 1991, when the appalling conditions of children in state orphanages was first revealed. The Romanian word 'fara' means 'without', and many of Romania's children are still living without the care, nurture and individual attention that all children need. With the country's relative poverty rate the highest in the EU – at over 25% – children continue to grow up without the most basic provisions for their healthy, emotional, psychological and physical development.

FARA has created effective alternatives to state institutionalisation for children and young people offering care, rehabilitation and training, special needs education and specialist therapy for children with complex needs. We currently provide education and training for those who were previously denied access to it – whether through poverty, disability or social standing.

FARA works in Bucharest, Satu Mare (northwest Romania) and Suceava County (northeast Romania) where we have developed the following activities:

- two small family homes for vulnerable and neglected children – providing a loving, secure environment where past traumas can be healed and trust restored
- three small homes for young adults with learning disabilities – enabling them to reach their full potential and play their part in local communities
- two residential training centres for young adults – developing skills for independent living and long-term employment
- three therapy centres for children with special needs – offering families a lifeline of fresh hope for their children's future
- in six villages, community-based education and social support programmes, breaking the cycle of rural poverty and deprivation
- an organic farm supplying food to local supermarkets, run as a pilot fundraising project.

FARA continues to advocate at government level for the social and economic inclusion of marginalised children, young people and their families. FARA also responded to the Romanian government's agenda to address child rights and rights of people with a disability.

DEVELOPMENT AND EXPANSION 2016

During 2016 FARA continued to develop and strengthen its programmes, ensuring that as many children and young people as possible would benefit from its services.

Family homes: St. Nicholas in Suceava and St Gabriel's in Bucharest

FARA's homes in Bucharest and Suceava continued to provide family care for children, most of them abandoned or taken into care by social services because of family poverty, homelessness or abuse. We continued to support several children who had left the homes to pursue their vocational education or university and they remain part of the FARA family.

The need for family homes such as FARA's continues to be high and places at both St Nicholas and St Gabriel's are expected to remain in demand in 2017.



Jane Nicholson with children from St Gabriel's

Community homes for young adults: St. Raphael's (Bucharest), St. Mary and St Joseph (Suceava)

In the course of 2016 our three community homes continued to support 24 young people. In October those living at St Raphaels moved to an entirely new long-term residential home. The purpose-built premises are situated in the village of Cacica, 25 miles west of Suceava on the edge of the Carpathian Mountains. Named Elizabeth House, it provides high quality accommodation and has extensive grounds which provide ample opportunities for outdoor activities and gardening. Cacica is already the location of FARA's small holiday home and as a rural tourist and pilgrimage centre it also offers the new residents scope for community involvement.

Residential training for young adults: the Foyer Centre, Satu Mare

The FARA Foyer in Satu Mare provided training in work and social skills to a monthly average of 18 young people of between 18 and 26 years of age. Despite the continuing economic problems in Romania and owing to the sheer determination of both the youngsters and the FARA staff, the team continues to be extremely successful in getting and keeping the young people employed. An average of nine each month were able to find work.



Supper at St Francis Foyer, Bucharest

In the autumn an entirely new Foyer was opened, St Francis in Bucharest. Modelled on the existing centre in Satu Mare it meets a desperate need for training among very disadvantaged young people who would otherwise face a future of poverty and unemployment. A total of 18 residents will be accommodated when the centre reaches full capacity in 2017.

Specialist Learning and Development Centre for Children with Complex Needs: St. Teresa's (Falticeni), Samuel Centre (Bucharest) and Emmanuel Centre (Suceava)

At the end of 2016, 200 children were receiving special needs education and specialist therapies, with a waiting list for those requiring treatment. There has continued to be a particularly high demand for speech therapy and physiotherapy due to the lack of provision by social services. Children are greatly benefiting from FARA's holistic approach and are making impressive progress.

Due to a change in terms of occupancy for its existing premises, in spring 2016 St Teresa's moved to new specialist accommodation owned by FARA.



Learning through play, Samuel Centre

Tackling Poverty through Education (Suceava)

During 2016 FARA continued to feed and provide extra tuition, help with homework and family support to approximately 235 primary school children in six villages in the rural northeast of Romania. It also provided nourishing snacks for 28 pre-school children as an incentive to attend kindergarten, ensuring their readiness to move on to primary school.

Advocacy

FARA continued to make its voice heard at government levels on behalf of Romania's impoverished children and young people. It established partnerships and contracts with local councils and continued to be a member of the FONPC, a Romanian umbrella organization looking after the interests of children. It also increased its influence by forming partnerships with other NGOs.

STAFF DEVELOPMENT

During 2016 FARA maintained its strong commitment to staff development, enabling staff to improve outcomes for children and young people in its care.

Staff have also drawn on additional expertise through collaboration with local education institutions. Students from local art schools have made particularly welcome contributions to the work of our therapy centres.

PLANS FOR THE FUTURE

In 2017 FARA will continue to commit to its ongoing programmes while improving and strengthening the quality of the services provided through professional staff training and development. In addition to this the family homes and community homes will continue to receive new young people to replace those who have moved on or who have left to live an independent life.

Tackling Poverty through Education

Through this important programme we will continue to work closely with communities to ensure all children are able to access the education to which they are entitled. We expect our initiatives in this area to continue to grow as a result of partnerships and fundraising, with a particular emphasis on kindergartens and primary schools.



Christmas gifts for village children

Social business

The operation of the FARA's organic farm will continue to be carefully monitored in the early part of 2017. It is important that this project functions as a net contributor to FARA's work and income. In a volatile economic environment this is not easy to ensure. Should the farm prove not to be viable steps will be taken to modify the business model or, if necessary, dispose of the asset in a way that secures the best interests of the charity.

Training for independent life

The success of the FARA Foyers in Satu Mare – and now Bucharest – has been impressive. By the end of 2016 premises had been purchased for a third centre in Suceava. Opening is planned by early summer 2017.

Staff training

The FARA Trustees agreed to continue to make staff training a priority for 2017. Based upon programme needs and individual staff assessments all projects have an approved staff training



Students and children at St Teresa's therapy centre

budget. As far as possible, training is sourced in Romania but where sufficient expertise is unavailable FARA is committed to sending out UK specialists. An aspect of training which will be given particular attention in 2017 is the development of policies on the exposure of children and young people to social media.

The successful use of student placements will continue in 2017. This not only benefits residents; it also directly contributes to the ongoing development of FARA's employees.

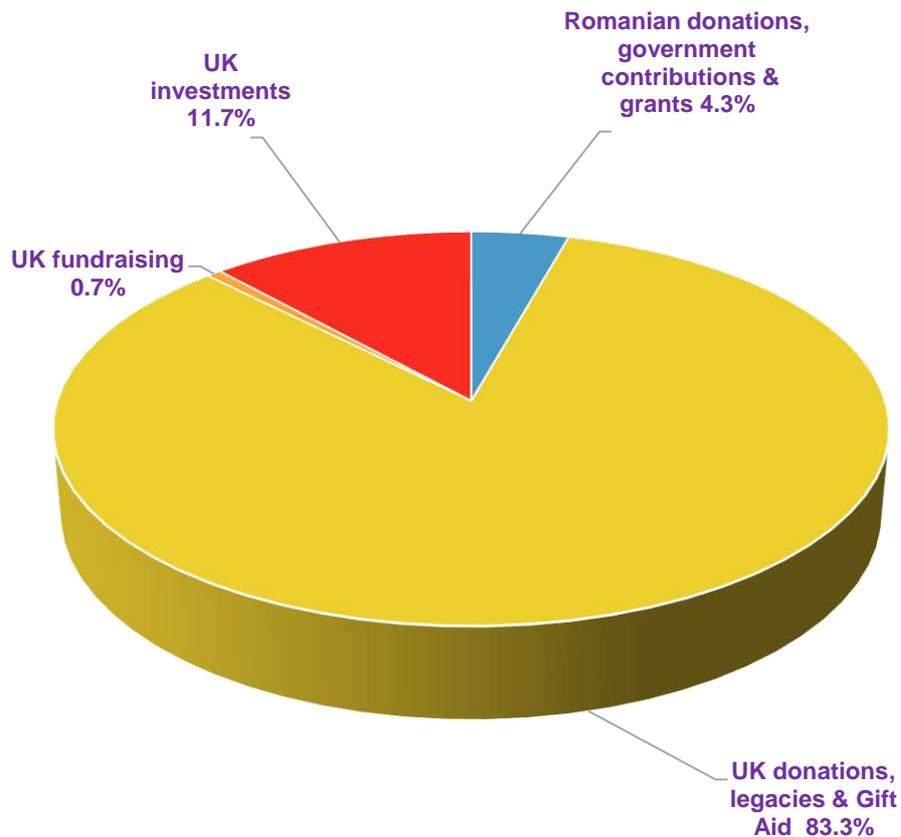
INCOME AND EXPENDITURE 2016

In 2016 FARA received 4.3% of its funds directly from Romania while also benefitting from subsidies in kind through partnerships with local social services. However, it continues to rely heavily on fundraising in the UK. Obtaining direct contributions has remained a struggle with decreasing donations from UK trusts, regular donors and sponsors due mainly to the difficult economic climate. FARA's chain of charity shops in the London area continues to provide the majority of funding for our programmes in Romania, with healthy sales growth in 2016.

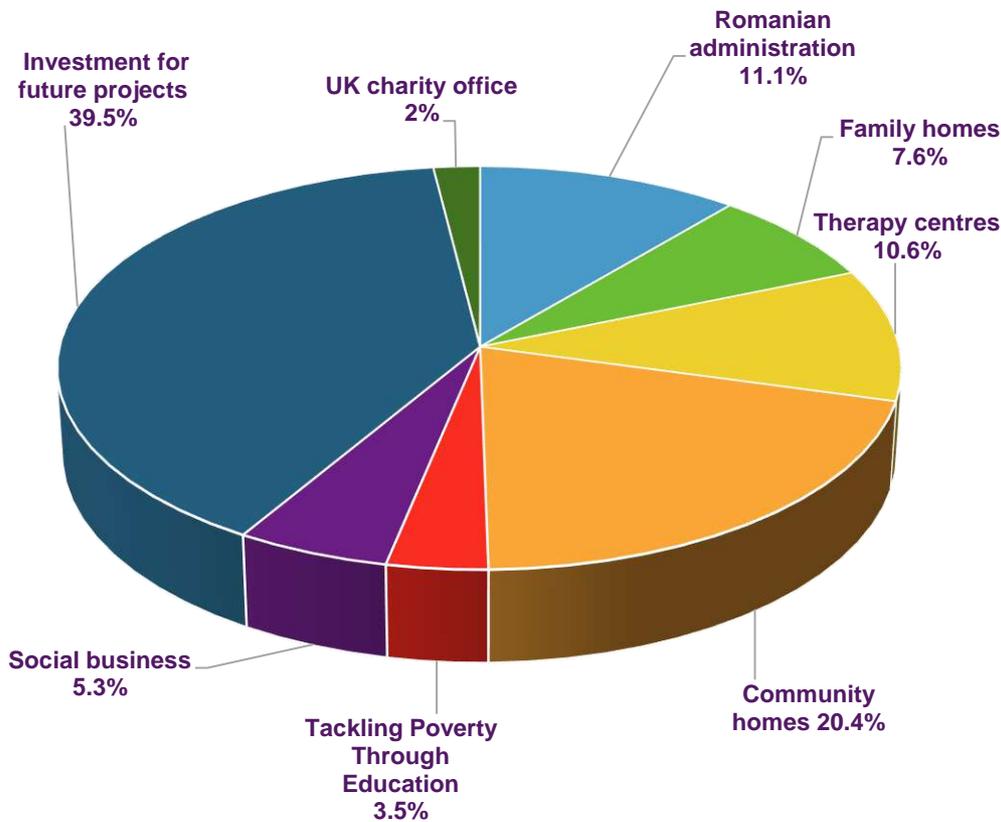
FARA is extremely grateful to the following trusts for their generous support in 2016:

Foyer
Kyril Trust
The Allen Trust
Juile Pinney Charitable Trust
Hutchinson Charitable Trust
Croudace Homes
Daughters of Jesus

How FARA raised its funds in 2016



How FARA spent its funds in 2016



RESERVES POLICY

The position on cash reserves is reviewed at each Trustees meeting and the reserves policy is examined annually when the financial statements are being finalised. The crucial measure of the charity's ability to continue its care provision in Romania is its level of liquidity cover. Accordingly, in reviewing and establishing the reserves policy, the Trustees have considered both the requirement to set aside funds for the long term future support required in Romania, together with the short term requirements for readily realisable assets should the economy not behave as forecast. It is acknowledged that the income from the charity shops, which provides significant sums annually, carries risks and can be affected by a sudden downturn in economic conditions.

The Trustees have therefore considered it prudent to retain, as a minimum, cash reserves in excess of one year's projected charitable expenditure. This cash is considered as an integral part of the charity's overall investment portfolio. For the year to 31 December 2017 the net annual expenditure is projected to be approximately £1.09m.

The Trustees recognise the long-term commitment of the charity to an increasing number of children and young adults in its care. In 2015 - 2016 FARA's responsibilities extended to two

homes for children and three for young adults. The latter are permanent homes for young people who will require a substantial amount of care for the rest of their lives, the running costs of which can be measured in tens of millions over the expected lifetime of the residents.

The Trustees are able to earmark unrestricted funds for particular future charitable purposes in accordance with the charity's objectives. In light of the above, the Trustees took the decision that funds totalling £3.4m, being the total value of the freehold property held in its wholly owned subsidiary and fund investments, should be specifically set aside and designated for the longer term commitment to children and young adults who are likely to remain within the charity's care for the duration of their lifetime.

The Trustees are very much aware of the fact that we can only address the enormous poverty by fighting it at grass root level. Empowerment of rural communities, education and the development of sustainable livelihood is essential to address the extreme poverty levels in rural northern Romania. This requires a long-term financial commitment and FARA will use its reserves to develop programmes in this area.

The Trustees will continue to keep the reserves policy under regular review as the impact of the current economic conditions on the charity becomes clear.

FURTHER INFORMATION

Further financial information can be found in the document Report of the Trustees and Financial Statements for the Year Ending 31 December 2016. This can be obtained from the charity office at the address below.

Current information on the charity's activities can be obtained by visiting our website or by contacting our UK charity office:

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Registered charity no 1139349