



TRUSTEES' ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022

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LEGAL AND ADMINISTRATIVE INFORMATION

Status

Hope and Homes for Children is a charitable company limited by guarantee. It was incorporated on 3 April 2001 (Company number: 04193179) and registered as a charity on 26 November 2001 (Charity number: 1089490).

Founder Presidents

Mark Cook OBE

Caroline Cook OBE

Patrons and Ambassadors

Kate Adie OBE DL

Jay Jopling

Martin Bell OBE

Gordon McInally

Matt Bell

The Rt Hon Sir Donald McKinnon ONZ GCVO

Rukhiya Budden

Natalie Pinkham

Mariana Dahan

General The Lord Dannatt GCB CBE MC DL

Dame Kristin Scott Thomas DBE

Rick Foulsham CMG

The Rt Hon The Lord Selkirk of Douglas PC QC

David Furnish

Nick Hower

James Whiting

Alastair Humphreys

Claire Wright

The Lady Jopling MBE

Trustees and Directors

Matthew Banks

^*

Vicky Bruce

^*

John Good

*

(appointed 1st July 2022)

Richard Greenhalgh

^

Chair

Mark Grinonneau

*

(resigned 28th July 2022)

Maria Herczog

x

Girish Menon

x

Chikondi Mpokosa

x

Ruchira Neotia

o

Ramesh Parmar

*

Treasurer

Camilla Otto

x

Anna Segall

o

Malcolm Sweeting

*

(resigned 31st May 2022)

Mike Thiedke

o

* = member of Finance, Audit and Risk Committee, o = member of Marketing, Communications and Fundraising Committee,

x = member of Programmes, Advocacy and Research Advisory Committee, ^ = member of People Committee

Senior Management Team (Key Management Personnel)

Mark Waddington

Chief Executive

Michela Costa

Director of Global and EU Advocacy

Stefan Darabus

Director of Global Programmes (until 5th September 2022)

Pete Garratt

Director of Global Programmes (from 6th September 2022)

Angharad McKenzie

Director of Global Marketing, Communications and Fundraising (until 14th March 2023)

Mark Shadrack

Chief Operating Officer and Company Secretary

Registered Office and Principal Address: East Clyffe, Salisbury, Wiltshire, SP3 4LZ

Independent Auditor: Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW

Bankers: Royal Bank of Scotland PLC, Parklands, De Havilland Way, Bolton, Lancashire, BL6 4YU

Website: more information about the charity can be found at www.hopeandhomes.org

TRUSTEES' ANNUAL REPORT AND STRATEGIC REPORT

ABOUT US

Since 1994, Hope and Homes for Children has been working to stop the institutionalisation of children.

We work around the world to close the doors of orphanages forever. We fight for every child to enjoy the love and belonging of a safe family home. As challenges get tougher, we work harder – with children, for children. Because children should never be deprived of their liberty and suffer the harms of institutionalisation, under the cloak of “care”.

Our care reform specialists set up community-based family support services. Our policy experts promote stronger child protection laws. And our skilled social workers work directly with children to keep families together, to reunite them and to nurture new ones. Through national reform and international advocacy, we inspire global action.

We won't stop until we have consigned orphanages to history. Until every child, everywhere, has the chance to thrive in a strong, supported family.

WE ARE HOPE AND HOMES FOR CHILDREN

Our mission is to be the catalyst for the global elimination of institutional care for children.

Our vision is a world in which children no longer suffer institutional care.

Our values are courage, excellence and integrity.

Orphanages confine and regiment the lives of children in ways that present egregious threats of abuse and neglect. What is happening inside orphanages today is impacting 5.4 million children with lifelong consequences that impact upon the next generation too.

Our work to support families and prevent the separation of children from them in the first place, and when this can't be achieved, helping to place children in alternative forms of family care and protection, has yielded almost 30 years of important learning. We have used this learning to shape local services, national policies and international commitments with much wider benefits. For example, in pursuing child protection and care reform, we are seeing improved educational and health outcomes for children, all of which collectively contribute to improved chances and opportunities later in life.

Now is the time to build a consensus across governments, relevant agencies and important influencers that orphanages are no longer an acceptable way of caring for children.

We build this consensus by working alongside like-minded organisations. Our collective efforts and resources will create momentum that proves change can be successful at national level in very different contexts. We position child protection and care reform as a human imperative, not only for those children for whom it matters so much now, but also for future generations. And we build partnerships with the private sector to develop the kind of financing instruments required to secure the interest and commitments of many other countries in which we have no presence. Armed with these financing instruments, we will secure investors and donors so that traction for global reform genuinely begins to bite.

We have been a world-leading authority on eliminating orphanages and reforming child protection and care systems in many countries over almost 30 years. Throughout this journey, we have scrutinised the evidence. We have marshalled our front-line experience, and we have listened to children and those who care for them. Our unique achievements and understanding have deepened our well of hope for the future of children. It is a stubborn, fierce hope that cannot be exhausted because we have seen what we are capable of, and it drives our belief in what we can still achieve, no matter how tough the challenge. Our mission is clear. Its purpose will not be denied.

WHAT IS THE PROBLEM THAT NEEDS SOLVING AND WHY?

Orphanages are unnecessary because the vast majority of children confined within them are not orphans. This is true for all the countries we have worked in, and the many countries our partner organisations work in. Indeed, numerous studies suggest this is the case globally. Many children are placed in orphanages, not because they are orphans, but because their family is poor; they face discrimination or because they have a disability. This confinement punishes them for a second time. Once confined in orphanages, many suffer abuse – including rape and torture – from some staff, adults who pay for access to them, and from some of the children they share their confinement with. The neglect that many more children confined in orphanages suffer can be so significant that it harms the development and structure of their brains, especially for babies. Stigma against children confined in orphanages is common and a cause of isolation and exclusion. Orphanages expose children to heightened risks of trafficking, and in the worst cases, they are the actual apparatus through which children are exploited for labour, fundraising, even for their body parts and for sex.

Current estimates suggest there are around 5.4 million children in orphanages globally. But this is generally accepted to be a significant under-estimate. In many countries, poor regulation means thousands of orphanages operate with no registration and no oversight. So the sheer scale of children in confinement remains unknown. And millions more children are vulnerable to being separated from their families and put into care. As at the start of 2022, more than five million people have died as a result of the global pandemic, most of them adults, many of them parents caring for children. The Lancet estimates that for every two adults who have died, one child has lost a parent or primary caregiver. Vulnerability is deepening among many families and communities which undermines their capability to care for and protect children:

- 120 million people have been plunged into extreme poverty during the course of the pandemic. This is the first time this figure has actually risen in the last 27 years, and it is likely to continue growing.
- Teenage pregnancies increased dramatically during lockdowns in many countries.
- Often young people were confined with abusers, with grievous consequences, and many more children are yet to return to the classroom, giving rise to a new generation of so-called 'ghost children'.

We are leaning into a global crisis of care that is already upon us. And it is not only impacting the current generation of children and young people, but it will impact their capability in later life to care for the next.

But it doesn't have to be this way. Orphanages are unnecessary and there is always a better alternative for children.

OUR MANDATE

We know that children are happier, healthier and more successful when they grow up in a caring family environment. They tell us all the time. And we can prove it with data too. One of the largest orphanages we have ever closed was in Rwanda. 600 children. We assessed them at the time we helped to transition them into alternative family care arrangements, and then re-assessed them at six-month intervals. For the under sixes, at the time we transitioned them, they were scoring between 52% and 59% against where they should have been for their age across their language ability, their motor skills, self-help and cognition. In just 18 months they were scoring between 98% and almost 100% of where they should be. We have data like this from many of the countries we work in, demonstrating how loving family care can unravel the harm inflicted by an orphanage and help children to catch up to where they need to be. This is proof that we really can change the world for children.

And we really should. The UN Convention on The Rights of the Child is the most ratified convention on the planet. It doesn't simply recommend that children should grow up in a family, it obliges us to take responsibility for making that happen:

Convinced that the family, as the fundamental group of society and the natural environment for the growth and well-being of all its members and particularly children, should be afforded the necessary protection and assistance so that it can fully assume its responsibilities within the community

Recognizing that the child, for the full and harmonious development of his or her personality, should grow up in a family environment, in an atmosphere of happiness, love and understanding.

OUR STRATEGY

Despite the progress we are making, there remains enormous resistance to closing orphanages. Partly this is because there is a lack of awareness of the harm inflicted by orphanages, or of the alternatives to them. Partly this is because of the vested interests associated with them. In all cases, it is the result of a lack of accountability to children and young people. This lack of accountability is the underlying cause that sits beneath many of the reasons why orphanages exist in the first place. If society were truly accountable to children, we would not deprive them of their liberty by confining them in orphanages.

We launched our new strategy in March 2022. The time to change is now. We want to invest all our effort in working alongside authorities to actually deliver the change that is needed for children. This requires us to build a consensus that orphanages harm children. Such a consensus must have genuine accountability to children at its very core.

This growing consensus needs to include multi-lateral organisations such as the UN, EU and African Union. It must be actioned by a groundswell of influential governments around the world, committed to implementing reform, locking progress in with legislation and influencing other countries to do the same. It will be a growing consensus that will be reflected in the policies of influential donors and funding organisations, in ways that will help more countries to ready themselves for reform.

This growing consensus will be recognised as a priority, globally, across all sectors and sections of society. And it is this, that will demonstrate a global step change in accountability to children.

SO OUR AIM IS THAT:

by December 2030, worldwide, we will be approaching a consensus that orphanages are an unacceptable way of looking after children.

OUR STRATEGIC OBJECTIVES

Working as a catalyst, we will identify, convene and develop strategic partnerships that will, by December 2030:

- Complete the elimination of orphanages in four countries, and make meaningful progress in delivering national child protection and care reform in this regard in a further five countries, while coordinating this progress with partners in 11 countries (in which we will have no presence) to build international momentum and proof of concept to demonstrate that change is possible regardless of national context.
- Establish and harness child protection and care reform as a human imperative in development programming and human rights monitoring, toward securing significant commitments to implementing that reform across a growing number of countries including those in which we, as well as partners, operate and influence.
- Put in place international financing mechanisms that will support those countries that need it to help them prepare for reform and ultimately commit to it.

We will continue to push for legislation that prohibits support for orphanages and redirects it toward locally developed, scalable solutions that will drive reform forward.

OUR THEORY OF CHANGE – NATIONAL REFORM

There is no one-size-fits-all solution to delivering child protection and care reform at national level. That is why our approach is highly adaptable, demonstrating that reform is possible across a diversity of contexts. This is how we reform an entire country's child protection and care system – dialling up or down each of our four pillars depending on local conditions.

Political Will

Governments don't just need to commit to reform, they need a vision for what that reform should look like. This brings the clarity of purpose needed to shape plans, budgets and legislation within the national context. This vision links with and fully integrates child protection and care reform across relevant systems, including health, education, the judiciary and social services. Sustaining reform requires leadership across governments and from one administration to the next, to

ensure active commitment over the long term. Political will is especially important in overcoming widespread resistance to and fear of change. For example, the large workforces associated with orphanage systems and orphanage economies will be concerned about their jobs in the context of reform. Having a clear vision for what reform looks like should help everyone understand that there are important new roles they can fulfil in preventing family separation and in supporting children to transition out of orphanages into family care.

Knowledge and Know-How

Not only is every country different, every child is different. **Listening to children's views** and incorporating these in the development of the services they will benefit from is critical in successfully moving from orphanage to family-based care systems. Knowing why families break down, which children are most affected and why, and what communities can do to prevent this are crucial to designing and implementing prevention and reunification services at scale. Pilot projects are needed to show how this can work in each context. And the information they yield strengthens the case for reform while providing us with a baseline against which to judge success.

Capacity

Children and families face complex, different challenges, from food insecurity, through housing problems, to disability. Orphanages are routinely used by social workers and medical practitioners as a one-size-fits-all solution, regardless of the challenge. Consequently, the skills and capability of key staff to develop alternative family-based solutions are often absent. To change, countries need to know what skills and expertise they have, which are most relevant to the reform process, who has them and how they can be further developed and knowledge shared. Countries also need an accurate view of the capacity of existing systems, especially case management systems, which are the basis upon which decisions are taken about the services that individual children will benefit from. As always, the voices of children in these decisions are important. And so the development of and training in locally appropriate ways of ensuring the participation of children is crucial.

Financing

Budgets for reform are too often calculated on the basis of expense rather than investment. Consequently, financial considerations are skewed toward cost rather than what is actually being bought – improved health, education, wellbeing – and whether or not that represents value for money. Budgeting for reform must not become detached from the outcomes it is seeking to deliver – this is the only way we can assess cost-effectiveness. In the initial stages of reform, more money is needed to sustain the existing system while developing the new one. But this generates a social return on investment. As the funds concentrated in orphanages are gradually unlocked through transitioning to the family-based care system, they can be increasingly allocated to preventing family breakdown and separation, and in support of alternative family services. **And that's how additional funding can be gradually reduced.** Rather than aiming solely for cost reduction, maximising available funding for families leads to better outcomes for more children, across more generations, which will be more cost-effective for society over the long term.

STRATEGIC REPORT: WHAT WE ACHIEVED IN 2022

The war in Ukraine has defined much of 2022 for us. Not least the outstanding response that our team in Ukraine, and colleagues in Romania and Moldova, have made to support families and children impacted by the resulting regional crisis. In Ukraine alone, the team has overcome immense challenges to deliver emergency material and psychosocial support in Kyiv and Dnipropetrovsk oblasts, while also beginning recovery and development, commencing partnerships with UNICEF and Save The Children, rapidly expanding the organisation and developing a long-term plan to secure meaningful childcare reform in Ukraine.

This has been supported by advocacy which has contributed to the need for care reform being highlighted in EU accession plans for Ukraine and Moldova; and crucially enabled by the income generated by our regional appeal and local fundraising efforts. A summary of our response to the crisis created by the war in Ukraine is set out on pages 9 and 10

This year has also seen several other key achievements in our programmes and advocacy, which are set out below.

The goals we set ourselves for 2022, and our progress against them:

Priority 1: We will prioritise our national impact by continued delivery of programmes in Romania, Moldova, Rwanda, and Bulgaria, targeting the closure of institutions, net reductions in the number of children in institutional care, and policy changes. We will also implement child protection and care reform models in South Africa, Ukraine, India, and Nepal which help to secure the political will to drive national change.

We worked directly and indirectly with more than 200 orphanages, leading to 46 closures and over 500 children returned to their own families or new loving families, as well as at the community-level supporting families to be able to look after their children who would otherwise have been taken into care. 3,350 children have safe family care as a result of this work.

- In Romania we closed 2 institutions, prevented the separation of 640 children from their families, and transitioned 151 children and young adults from institutions
- In Bulgaria, while the closure of the last 4 institutions in the country was delayed, we supported the transition of 53 children and prevented a further 234 children from being separated from their families.
- In Moldova, our partner CCF prevented 155 children from family separation, and took nearly 100 children out of institutions
- In Rwanda we prevented the separation of more than 800 children from their families and transitioned 15 children with severe disabilities out of institutions and into loving families. We also hosted a government delegation from Kenya, with our partner, CiF from Uganda, to build early momentum with the implementation of the Kigali Declaration.
- In South Africa, thanks to our work as the key knowledge partner of the government, the Moratorium on entry of children aged 0-3 into NGO-managed institutions in Gauteng province led to the closure of 42 institutions, with 138 children transitioned and a further 243 children prevented from being separated from their families
- In India, with our support and influence, the state of Odisha piloted the development of care plans which focus on prevention, gatekeeping and family strengthening services in ten districts – early steps in their departure from institutionalising children.
- Over the past year the momentum for care reform in Nepal has progressed significantly. The much-awaited **Children's Regulations (2022) were approved by the government**, providing clarity on the roles of the provincial and local governments in delivering child protection services and making decisions for the care of children. We continue to work with our partners Forget Me Not and THIS, who are now recognised as the leading agencies on care reform in Nepal, with 2 orphanages closed in 2022.

Priority 2: We will drive national reform by working to establish the strengthening of child protection systems and child care reform as a turnkey issue within other targeted social development priorities.

- The Kigali Declaration of the Commonwealth on Children's Care and Child Protection Reform. This text, agreed unanimously by the 54 countries of the Commonwealth, is a significant milestone to expand our advocacy influence and win cross-country commitment to care reform. Following on from the Kigali declaration, the Commonwealth

Secretariat have invited us to be their key technical partner and have asked us to bring civil society to the table across a number of Commonwealth countries.

- The launch of our Roadmap for Care Reform – **‘Families. Not Institutions.’** provides an invaluable springboard to grow our influence and impact and align our issue to the Sustainable Development Goal agenda, demonstrating how global child-care reform serves human development, thereby creating opportunities for increasing our access to thought-leadership platforms and access to primary audiences.
- Our new brand breathes confidence into our communications outputs and provides the basis for the bold, strident action we need to take to increase the saliency and relevancy of our issue.

Priority 3: We will work to unlock the financing needed to win government commitments to national reform and progress the meaningful implementation of this. We will work closely with the private sector to tap into its expertise and influence.

- Since the Ukrainian EU accession process started, we’ve been advocating for the EU to include care reform in the conditions for countries to join the EU and to support the care reform process with technical and financial assistance. Many of our priorities have indeed been incorporated into European and international policy messages, vitally ensuring that these children are recognised by the humanitarian system, including a commitment from the EU to allocate 10 million euros to the design of a comprehensive child care reform strategy in Ukraine, announced in a joint conference with Ukrainian President Zelenskyy.
- Our Advocacy team worked closely with our Bulgaria and Romania teams to support the implementation of the EU Child Guarantee.

We have built up a respected position in the global movement advocating for child protection and care reform. We are recognised for the value that we place on working collaboratively, establishing consensus and our role as a convenor of important conversations. Whilst the wealth of our programmatic experience and expertise is our unique selling point, it is our ability to translate that technical knowledge into targeted approaches to policymakers that ensures that we can exert lasting influence and impact.

UKRAINE CRISIS

Before the war, Ukraine had one of the largest orphanage systems in Europe. An estimated 105,000 children and young people resided in various forms of institutions across Ukraine, employing more than 60,000 staff across almost 700 facilities. Nearly 1.5% of all children in Ukraine were incarcerated without family in some form of residential institution - one of the highest rates of child institutionalisation in the world. The war has made the situation of Ukraine’s most vulnerable children worse. And it has pushed children and families who were not previously at risk to crisis point. At the same time, the international community and the EU’s response to Ukraine marks an opportunity to address the country’s legacy of institutions, and rebuild its future, without replicating the mistakes of the past.

Not only did Russia’s invasion of Ukraine create a humanitarian crisis, but it also created a child protection emergency across the region. The war exposed Ukraine’s vast system of orphanages, and the children within them, many of whom have been left to face the dangers of war alone. As the Ukrainian government evacuated these institutions, children and families were rapidly reunited, but without the needed support. Many were internally displaced, and the risks of family separation dramatically increased.

Our Response

We developed an organisational response plan to address three priorities:

- Direct emergency support contributed through the humanitarian effort in Ukraine, Romania and Moldova, giving vital material support directly to children and those who care for them, as well as providing technical capacity to the wider humanitarian system, so that others will benefit indirectly from our efforts.
- Raising the profile of the 105,000 children confined within the Ukraine orphanage system and securing the appropriate humanitarian as well as policy attention to meet their needs.

- Strengthening our capability to deliver our strategy, including securing commitment to national reform in Ukraine when the time is right.

We're not a humanitarian response organisation. But last year we became one. Our teams sprang into action to support the worst affected children and families. Our priorities were to provide essential, practical support, strengthen families, and help families stay together. Our local team in Ukraine responded immediately to the acute needs of people forced to flee their homes. Our teams in Romania and Moldova deployed staff to the Ukraine borders and beyond to support refugees fleeing to neighbouring countries in search of safety. As of the end of December 2022 we had provided humanitarian, psychological and practical support to over 62,000 people in Ukraine, including 33,000 children. We've also supported over 7,800 refugees in Romania, and more than 12,000 in Moldova.

Advocacy

When the war broke out, we coordinated the development of key advocacy messages, signed by multiple partners across the sector, addressing influential decision makers such as the European Union (EU), United Nations and UK Government. Our recommendations highlighted the need to monitor, track and ensure the safety of the 105,000 children trapped in Ukraine's orphanage system. Shortly after Russia invaded Ukraine, the country applied for membership of the EU. In its positive Opinion on Ukraine's application for EU membership, the European Commission stipulated that 'Ukraine has one of the highest rates of child institutionalisation in the world (ca. 1.5% of all children), which is a serious concern and needs to be tackled as a matter of urgency.' For Moldova, also a candidate for membership, the EC Opinion identified the number of babies and children with disabilities in institutional care facilities as an area of concern.

What's Next

With the prolonged crisis still ongoing and uncertainties about when the war will end, our response in Ukraine will continue to provide targeted humanitarian support and develop the conditions to implement our long-term plan on care reform.

Our emergency response continues to focus on keeping families together and mending the social fabric of childcare and protection system. This focus is crucial in order to strive for our long-term mission in Ukraine: continuing the trajectory of de-institutionalisation and establishing alternative childcare services, which we started before the war.

We will continue capacity building activities for specialists to ensure promotion and protection of children's rights, and case management in humanitarian response, alongside training for case workers to support family-based care. We will focus on children with disabilities and those trapped in institutions - the most marginalised groups we work with. Our team will work to combat escalating needs, whilst we also develop pilot community services for children with disabilities.

As refugee families and children continue to stay in Moldova and Romania, we've extended our support to Ukrainian refugees in both countries. Psychological and practical support, including material assistance like food and non-food items, continue to be necessary.

We're also delivering informal educational and structured play activities for children, to ensure they can continue their development. We provide training, including vocational courses, digital and business skills and leadership development for women, to help refugees access the employment market.

We're making progress in advocacy, influencing policies at national, EU, global level and in the UK, for these are crucial steps towards achieving our objectives. We feel that real change can happen only when all international donors investing in Ukraine work together to direct their support towards families, not institutions. If this re-direction happens, an effective child protection system can be created in Ukraine, with children growing up in safe and caring families at its core.

In our efforts to influence the EU accession process of Ukraine, we will contribute to the European Commission consultations of civil society organisations on the readiness of both Ukraine and Moldova to become EU Member States. By pushing for care reform to be included in the areas where progress is needed to obtain EU Membership, we are creating an incredible opportunity to put an end to child institutionalisation in these countries.

In advance of the Ukraine Recovery Conference in June, we will be convening institutional and private sector donors to achieve the coordinated, targeted and sustainable funding commitment that is required for care reform to progress in the country.

We'll continue to monitor the situation, adapting how we operate and our financial forecasting to ensure that we can continue to meet the needs of children and families in Ukraine, Moldova and Romania.

You can read about our response in more detail in our report 'Ukraine Crisis, One Year On'

<https://www.hopeandhomes.org/publications/ukraine-crisis-one-year-on-report/>.

PLANS FOR FUTURE PERIODS

We are on the cusp of significant milestones in countries where support from funders has enabled us to demonstrate better alternatives for children:

- When we started working in Romania, 105,000 children were confined in the state orphanage system. We now have that down to less than 4,000 children.
- In Rwanda we only have 10 orphanages left to close, with very few children without disabilities living inside those orphanages – we are in the last mile.
- In Bulgaria we only have four orphanages left to close.
- Moldova has the potential to close all 14 residential institutions, with 700 children with the most complex needs, by 2026.
- We're building commitment to national reform in India, Nepal, and South Africa, and have an exciting new opportunity to support the Kenyan government's efforts to transition away from institutional care.
- We will continue with targeted humanitarian support in Ukraine while working to develop the conditions which will enable the implementation of our vision for long-term, sustainable child care reform.
- We continue to engage with the Better Care Network, Transform Africa Alliance and the Biennial International Conference on Alternative Care for Children in Asia to promote global collaboration, raise standards and share our learning with others.

The impact we are having on the lives of these children truly is transformational – with substantially improved levels of well-being, security, educational attainment and health, demonstrated when children grow up in strong, supported families. This is why global child care reform **MUST** be addressed as a **turn-key element in the delivery of the UN's Sustainable Development Goals** – goals which seek to leave no-one behind; and it is why we have updated our strategy to ensure this is the case. The global context is more dynamic now than it has ever been. We recognise that we will need to learn and adapt. So we have split the delivery of our strategy into three, three-year review and planning cycles. During the first of these three-year cycles, ending on the 31st December 2024, we aimed to have achieved the following:

Actions

- Complete the elimination of orphanages in two countries (Rwanda and Bulgaria)
- Make meaningful progress toward elimination in two countries (Romania and Moldova)
- Secure commitment to national reform in three countries (South Africa, Nepal and Kenya)
- Expand sub-national commitment in two countries (Ukraine and India)
- Convene a coalition in which partners operating in an additional 11 countries agree to coordinate their work to a common timescale with us
- Develop and publish our roadmap for care reform: Beyond Institutionalisation – distilling nearly 30 years of our experience for a global audience, whilst further developing the evidence that, combined, will strengthen our efforts to integrate child protection and care reform, within national implementation of the SDGs and human rights commitments
- Raise awareness of the importance of care reform among influential audiences, and target opportunities to harness public engagement to trigger them into action
- Work with public-private partnerships – including our Private Sector Task Force and other relevant stakeholders – to research and design mechanisms for financing reform internationally, and secure their help in identifying and approaching prospective investors

Outcomes

- A critical mass of 20 countries making meaningful progress with reform, with clear evidence emerging to confirm that it is possible to achieve at scale – not only in one or two countries but also across diverse national contexts
- Increasing recognition across targeted stakeholders that orphanages are harmful, that there are alternatives that drive wider benefits, and that as a consequence they have a responsibility to act
- International financing for child protection and care reform strategy developed, and discussions with prospective investors underway

Impact

By the end of this first three-year cycle, in the countries we and our partners operate in, we will have ensured that:

- Fewer children will have been separated from their families
- More children will have been reunited with their families or placed into forms of alternative family care

- Increased numbers of orphanages will have been closed
- The child protection and care social workforce will have increased
- Public authorities and other decision-making agencies will be actively finding ways to be more accountable to children

It is clear that these plans, and the timing of key milestones, need to be adapted for changing circumstances (e.g. war in Ukraine, political upheaval in Bulgaria). Our plans maintain the full ambition of the strategy but reflects our latest view of timelines and steps required.

FUNDRAISING & COMMUNICATIONS

Strategy and Approach

With the primary goal of building a more resilient and sustainable income portfolio, our four strategic priorities to deliver income in 2022 and establish the foundations for future growth:

- Invest in the capabilities and working practices of our team.
- Secure increased demand for, global child care reform and increased investment to deliver that reform.
- Proactively acquire new values-driven support.
- Nurture trust and belief for increased lifetime value through exceptional stewardship and engagement.

Our refreshed strategy saw us adapt the shape of our team, including directing investment at our brand and communications resources and activities, beginning the process for developing our global fundraising capability and prioritising high value partnership development. We continued to develop our use of data and improve the infrastructure on which our fundraising and communications work depends. We also invested time and resource in building the capacity of our teams in country to fundraise locally and developing our fundraisers' skills in identifying and approaching new high value supporters.

2022 was our most successful fundraising year on record, in part driven by the crisis in Ukraine, although this also derived from our new brand and efforts to widen our supporter base through a strategic commitment to prospecting and pipeline development.

In the UK, building on our strong base of relationship fundraising and our Ukraine appeal, we benefitted from the financial support of 76 unique corporate organisations (2021: 27) and a further 70 (2021: 46) trusts and foundations. In addition, we nurtured relationships with existing philanthropic individuals, whilst investing resource in building our future philanthropy pipeline, and maintained our programme of individual giving fundraising, focusing on regular giving. Our Ukraine appeal was particularly successful, and during 2022 we secured support from 6,076 individuals (more than double the previous year). And with the return of face-to-face events The Boodles Boxing Ball in June 2022 was our most successful ever fundraising event driving record income for Hope and Homes for Children. Legacy income within year continued to be impacted by lengthened probate timescales.

2022 has given us much to build on, including the significant re-engagement of lapsed and current donors, and the successful attraction of new donors across the entire portfolio because of our Ukraine appeal. We are grateful for all the support received in 2022 and will continue to engage with those who gave for the first time. The impact our work in Ukraine and our new brand has had on our public profile and our related learning gives us much to be confident about. Additionally, our investment, and resourcing commitment to, prospecting stands us in good stead for maintaining organisational focus on widening our supporter base. Notwithstanding that we are unlikely to replicate 2022 income levels in the next financial year (such was the exceptional generosity of people supporting our work in Ukraine), we are set for continued success in 2023 thanks to our special fundraising initiative 'The Family', our 'always on' digital communications programme and [Home Advantage](#) campaign, together with our investment in integrating and 'smart working' with our colleagues across the organisation on content, donor relationships, thought-leadership / positioning opportunities and global fundraising..

Fundraising Standards

Our fundraising complied with the fundraising codes as prescribed by the Fundraising Regulator, of which we remain a registered member. We also continued to prioritise the strengthening of our practices related to data protection laws, particularly the UK General Data Protection Regulation. We received no subject access requests whilst continuing to promote our Privacy Policy and offer easy opt-outs from communications as well as the option to agree specific

communications requests and / or preferences directly with our team. Similarly we continued to pay special attention to treating supporters in vulnerable circumstances with the utmost care.

We received only 15 complaints in 2022 (compared with 12 in 2021). We continue to work hard to minimise complaints and take exceptional care to communicate sensitively and appropriately with our supporters. To support them in their endeavours, for example where individual or groups of supporters are voluntarily raising funds on our behalf, we offer bespoke help with the use of regulated platforms (e.g. Just Giving), for the collection of funds.

RISK MANAGEMENT AND INTERNAL CONTROLS

Our strategy sets out our vision, mission, values and strategic aim. With the eradication of institutional care of children at the heart of our activities and a need for innovative solutions to deliver reform, risk is inherent in our work.

Through our governance framework, we seek to encourage proactive, well-managed taking of risk to deliver business objectives and embedding risk management in day-to-day operations.

Therefore we have developed a framework to identify, analyse and manage risks at a series of levels within the organisation - strategic, process and project. This framework also addresses residual risk and ensures it is set at acceptable levels for the organisation.

The Board has ultimate responsibility for overseeing risk management for the organisation as a whole but recognises that all staff and volunteers are critical in implementing the risk management process. The Senior Management Team reviews risks at its meetings as well as monitoring external developments that may impact on the organisation. It has systems and procedures to mitigate the risks identified from operational activity as well as procedures to minimise impact should any of the risks materialise. Risk management is a standing item at each of the meetings of the Finance Audit and Risk Committee, where any new risks or material increase in risk is discussed and raised at the Board of Trustees, if necessary.

The strategic risks identified through this work, and an outline of the mitigation plans, are:

Key Risk	Outline of Mitigation Plan
Loss of impact and/or progress on reform in key programme locations due to shifting political and social priorities.	<p>Continue to build public awareness of, and support for, child care reform through communications activities.</p> <p>Continue to build connections and champions with different parties and structures, including securing government commitments to both reform and the funding of reform.</p> <p>Use roadmap to make the case for relevance of care reform in different topics, including links to the Sustainable Development Goals.</p> <p>Work to bring civil society together to deal with institutions and bad actors, influencing beyond the 'bubble' of those who agree with us.</p> <p>Strengthen capacity across our country teams to drive national advocacy priorities.</p>
Gaps in capacity and capability leading to inability to fully execute the strategy and business plan.	<p>Continue to evolve our approach to wellbeing, leveraging our internal support network and continuing to deploy mental health awareness training.</p> <p>Review and where necessary make appropriate resourcing adjustments, including roles, development plans and training in order to be 'fit for purpose' to deliver on our plans.</p> <p>Develop our approach to leadership, performance and individual mandate so that all of our team members can thrive.</p> <p>Succession plans for key roles reviewed by our People Committee.</p>

Key Risk	Outline of Mitigation Plan
Inability to secure the level and type of income required for us to deliver the level of programmatic implementation, research and advocacy needed as part of our strategy, including investment in MCF and organisational infrastructure.	<p>Resource investment in key areas linked to fundraising, including investment in strategic partnerships resource to build pipeline at scale.</p> <p>New funding partnerships and acquisition of new donors is now a core responsibility of fundraisers, with updated role profiles, objectives and team plans; fundraising training and dedicated time for prospecting.</p> <p>Launch Home Advantage as a key communication campaign.</p> <p>Maintain investment in supporting and working alongside fundraisers in-country.</p>
Short-term and / or unanticipated income shortfalls creating the need for short-notice expenditure cuts which run counter to our strategy or create co-funding gaps which may in turn lead to issues in implementation and or meeting grant funding conditions.	<p>Continue to build our free liquidity towards target levels to provide greater short-term resilience.</p> <p>Maintain and monitor our forecasting processes, improving visibility and reducing bias to provide high quality income signals, allowing prompt and decisive actions to be taken in response.</p> <p>Strengthen our planning and project management, including visibility and approvals for co-funding gaps</p>
Staff burn-out	<p>Selective incremental resourcing.</p> <p>Build on our successful UK staff survey and use this approach globally to identify key issues and opportunities for support.</p> <p>Regular focus on key UK staff survey actions, including wellbeing support.</p> <p>Prioritise organisational workload and make clear, choices which are strategically aligned and manageable within capacity.</p>
Death or serious injury to a staff member due to a security issue	<p>Continue to operate security protocols in Ukraine and extend security training and contingency planning to Moldova.</p> <p>Develop an enhanced cross-organisational set of security principles and practices.</p>
Child protection incident directly involving an HHC member of staff or a partner.	<p>Roll-out and embed updated safeguarding policy in each country programme, including cultural aspects and reporting.</p> <p>Strengthen independence and sustainability of Our Voices Matter</p>
Financial fraud, corruption or bribery or material financial mismanagement	<p>Continue to embed and review policies, procedures, controls and training in key areas, with appropriate management oversight, independent assurance, and governance from the Finance, Audit and Risk Committee:</p> <ul style="list-style-type: none"> ● Financial processes ● Deployment and use of IT, including cybersecurity action plan (Note: Our UK operations achieved Cyber Essentials accreditation in March 2023) <p>Assess areas where investment in our people, processes and systems should be prioritised to enhance internal capacity and capability and acting on these recommendations.</p>
Theft / leakage of personal data or large-scale loss of access to supporter data	<p>Refresh Data Protection training</p> <p>Conduct assurance process on Data Protection compliance and implement any improvements identified.</p>

PUTTING CHILDREN AT THE HEART OF OUR WORK

Children have unique understandings of their own childhoods and of the circumstances in which they are living. We have recognised this from the very beginning and have always sought to listen to them. Over the years, they have been consistent in the views they express to us: they do not want to be confined in orphanages; they want to live in a loving, safe family or caring community setting. It is through listening to children that we have formulated our mission and also shaped our approach to fulfilling it. This is important because if society were genuinely accountable to children, it would not be actively depriving them of their liberty by locking them up in orphanages.

Accountability

As we implement our strategy, we will ensure that the voices of children are heard, and that where we agree to act upon what they are telling us, we will be held accountable for it. One of the ways in which we will seek to achieve this will be through Our Voices Matter. This initiative commits us to regularly meeting with children, listening to them, making decisions with them and reporting back to them on progress.

Safeguarding

Listening to children generates obvious dividends by ensuring more appropriate and effective care solutions for them, but it also improves safeguarding. Children know what makes them feel safe and what frightens them. Not being able to voice these things is one of the most significant enablers of their exploitation, abuse and neglect. So as a fundamental part of our approach to safeguarding, we continue to develop opportunities to listen to children through informal group sessions, questionnaires and by ensuring that children are consulted on decisions that will affect them. It is by listening to children that our organisational culture continues to drive effective safeguarding policies and systems.

We have a robust organisational safeguarding structure that has been developed over the years, and we continually review our policy, practice, and safeguarding culture in order to ensure that it is being strengthened and improved. Our approach to safeguarding reflects our mission with the well-being of children at the heart of our work, so as well as a set of robust policies and clear reporting procedures we also place great importance on our participation work with children and young adults across the organisation. This ensures that the voices and opinions of children and young people on their life, and the services and support they receive, are heard and that they can influence the shape of programmes and raise issues affecting them. We have a full-time global safeguarding lead who works with a network of safeguarding focal people from the countries we operate in, and from our partners, overseeing training, incident reporting, inductions and benchmarking. Regular meetings with them ensure that their insights, concerns and recommendations are incorporated into the regular reviews of our safeguarding systems.

Participation

The way in which aid is administered can often run counter to the participation of children and strengthening of accountability to them. This is because of the power imbalance that exists in favour of those who determine what that aid should be used for, who should benefit from it, and how. This results in aid being 'done' to people. In implementing our strategy, our approach will be to work with our partners, including funders, local authorities, our own country offices and other NGOs to address those power imbalances so that children, those who care for them and those who represent their interests are empowered to do so more effectively.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

Hope and Homes for Children is a charitable company limited by guarantee. The Articles of Association, amended in July 2021 to adjust the trustees' term of office, set out the objects and powers of the organisation. The Charity is governed by a Board of Trustees which has legal, financial, and managerial responsibility for the charity. The trustees constitute directors of the charitable company for the purposes of the Companies Act 2006 and trustees of the charity for the purposes of the Charities Act 2011.

Governance

New trustees are appointed at duly convened meetings for a period of three years after which they are eligible for re-election for a further three years. The Board has adopted formal procedures for the recruitment, selection, and induction of new trustees and re-election of existing trustees which are managed by the People Committee. The terms of reference for the People Committee include reviewing the size, skills, diversity, structure, and effectiveness of the Board, and making recommendations for any changes. The People Committee reviews trustee candidate applications for trustees and, after a thorough selection process, puts forward recommendations of suitable candidates to the Board.

Following the appointment of new trustees, an induction programme is arranged which aims to give the individuals the information and tools they need to fulfil their legal obligations as well as to play an effective role on the Board. The induction involves reading material, access to staff and visits to the offices in the UK and abroad. During their term of office, trustees are offered opportunities for ongoing training either through specifically arranged sessions or recommended reading lists, training courses and webinars.

The Board of Trustees comprises a minimum of three trustees with no maximum limit. The trustees meet five times a year when they consider the progress and challenges towards successful strategic delivery of Hope and Homes for Children, as well as governance matters. Formal delegation for certain areas of work has been given to four sub-committees which report back on their proceedings to the full Board:

- Finance, Audit and Risk Committee (FARC) - which oversees the organisation's financial position and performance, forecasting, reporting and the external audit process. FARC also acts to ensure that the organisation proactively identifies and manages risk and operates in accordance with relevant regulatory and legal requirements and in line with best practice regarding the governance of the charity.
- People Committee (PC) – which oversees the Board structure and composition (including sub-committees), leads Board and CEO succession planning and recruitment and oversees remuneration policy and key contractual terms for the Senior Management Team. The People Committee also oversees our diversity and inclusion policy to drive a diverse and inclusive culture across the organisation.
- Programmes, Advocacy and Research Advisory Committee (PARAC) – which oversees our safeguarding policy, procedures and reporting and assesses progress against our programmes, advocacy and research strategies, discussing issues impacting the delivery of the strategies and providing advice and recommendations to the Senior Management Team and the Board.
- Marketing, Communications and Fundraising Committee (MCFC) – which provides oversight for the sustainable resourcing of the Charity's mission through income and oversees how we externally promote and communicate our work.

The Charity Governance Code

Hope and Homes for Children takes its governance responsibilities seriously and aims to have a governance framework that is fit for purpose, compliant, and efficient. In 2017 the Charity Governance Code was launched, and we continue to use the Code as a tool to support a review of our governance structures and consider the ways in which the organisation and its Trustees currently apply the Charity Governance Code's seven principles and recommended practice.

Following an independent review of our governance arrangements in 2019, we actively addressed the diversity of our Board in 2020. We also refreshed our sub-committee terms of reference and enhanced key Board processes and information flows. The Charity Governance Code was refreshed in 2020 with key changes to the principles of Integrity and Equality, Diversity and Inclusion (previously Diversity). In response to this we developed a Diversity, Equity and Inclusion

position statement and action plan, with appropriate monitoring and measurement; and we refreshed and recommunicated our whistleblowing policy throughout our organisation.

Management

The Board has delegated the day-to-day management of the organisation to the Senior Management Team which comprises the Chief Executive, Director of Global Programmes, Director of Advocacy, Director of Global Marketing, Communications and Fundraising, and the Chief Operating Officer. Matters such as strategic and operational plans and key policies are prepared by the Senior Management Team for consideration and approval by the Board.

Public Benefit

The aims and benefits of Hope and Homes for Children are contained within the main body of this Report in the sections on Vision, Mission and Strategy, the Strategic Report and our Plans for Future Periods. We have considered the key principles of the Charity Commission's general guidance about public benefit and have concluded that Hope and Homes for Children meets all the requirements.

Related Parties

Hope and Homes for Children has subsidiary organisations in Romania, Ukraine and South Africa.

- Hope and Homes for Children Romania (registration number 1/23.01.2001 13661594) is established as a non-governmental organisation with the Ministry of Justice. The majority of its Board of Directors are senior managers of the UK charity and therefore its financial results are consolidated.
- Hope and Homes for Children Ukraine (registration number 39224734) was established in 2014 as a charitable organisation. The majority of its Board of Directors are senior managers of the UK charity and therefore its financial results are consolidated.
- One Child One Family HHCSA (registration number 2017/489514/08) was set up as a non-profit company in November 2017, and in 2021 was recognised as a public benefit organisation. The majority of its Board of Directors are senior managers of the UK charity and therefore its financial results are consolidated.

Related party transactions are disclosed in note 9 to the financial statements.

Remuneration Policy

Our approach to remuneration is designed to ensure that we can:

- Attract and retain the talented and motivated people we need to achieve our mission and deliver our strategic goals
- Offer salary levels that are competitive in the market and comparable with other similar organisations in terms of size and operation.
- Reward based on (i) the responsibilities of each role, including any regional or global responsibilities and (ii) the local market where the individual performing the role is based

It is applied consistently across the organisation, including the Senior Management Team, membership of which is set out on page 3. Specifically for the Senior Management Team and senior roles, we:

- Benchmark pay and benefits every three years
- Govern these reward packages through scrutiny from the People Committee

Environmental Policy

Climate change is a threat multiplier for vulnerable families and children. Our global futures will see climate change as a main driver of conflict, poverty, food insecurity and disease. This will destroy livelihoods, drive displacement and widen inequalities. All of these are key contributing factors to family breakdown and child separation. Taking actions to reduce our environmental impacts are key for the health of the planet and also to delivering our mission.

Guided by our internal Environmental Action Group, we have therefore established the following principles:

- All our staff and volunteers are accountable for using our resources responsibly and sustainably for purposes that are both relevant and beneficial to our mission.
- We will comply with all relevant legal and other environmental requirements.
- We will promote environmental responsibility and seek to improve environmental performance in key areas, including:
 - Encouraging the use of travel options that minimise environmental impact.
 - Minimising our production of waste, recycle materials whenever possible, and dispose of waste in a safe and environmentally friendly manner.

- o Promoting energy efficiency and to reducing our CO2 emissions.
- We will increase awareness of the impacts of environmental issues with our staff and volunteers.
- We will encourage our stakeholders to adopt good environmental practices.
- We will undertake periodic reviews of progress

FINANCIAL REVIEW

The financial review and consolidated financial statements incorporate the results of Hope and Homes for Children's UK operations, its overseas controlled subsidiaries and branches.

2022 was an extremely positive year financially, with record income of £16.1m. The response to our Ukraine appeal was exceptional, and this plus other fundraising work linked to our regional action plan generated £8.2m income. Our expenditure in Ukraine, Romania and Moldova increased to £8m as we supported over 90,000 people directly affected by the war in Ukraine, including more than 46,000 children. **With no end to the war in sight, families' needs continue unabated and increasing numbers of children find themselves displaced or orphaned.** We continue to use - and need - investment to provide essential, often lifesaving, support for children and families and to work tirelessly to end child institutionalisation in Ukraine and the wider region.

Key Financial Summary

£m	2022	2021
Income	16.1	8.7
Expenditure	13.5	10.1
Net income / (expenditure)	2.6	(1.4)
Non-cash items and working capital movements	1.7	1.2
Net cash supplied by / (used in) operating activities	4.3	(0.2)
Cash flows from investing & financing activities	(0.9)	(0.9)
Change in cash and cash equivalents in the year	3.4	(1.1)
Cash and cash equivalents at the start of the year	1.6	2.7
Cash and cash equivalents at the end of the year	5.0	1.6
Total Closing Funds	7.8	5.0
Unrestricted Funds	1.2	1.5
Restricted Funds	6.6	3.5

Income

Total income in 2022 was a record £16.1m, an increase of £7.4m versus 2021. As highlighted above this increase was driven by the success of our Ukraine appeal, which included work in neighbouring Romania and Moldova. This led to an increase in income across all our key support areas.

Income from individuals increased by 93% to £3.3m. At £1.4m, income from fundraising events was 222% up on 2021, returning to pre-pandemic levels with the return of face-to-face events including a highly successful Boodles Boxing Ball in June. Legacy income fell by roughly half following a particularly large bequest in 2021.

Income from trusts and foundations increased by 63% to £4.2m, while income from corporate donors increased by £2m to £4.6m. This was a significant rebound after 2021 and included a number of significant grants supporting our work in and around Ukraine.

Income from charitable activities grew by £1.3m to £1.8m. This was a combination of the resumption in work under our EU grants in Romania post-COVID 19, and new grants in Ukraine from UNICEF and the European Commission (in partnership with Save The Children).

Expenditure

Expenditure increased from £10.1m in 2021 to £13.5m. After major reductions in fundraising expenditure in 2020, we continued a process of reinvestment behind our new fundraising strategy, with an increase of £0.2m as we relaunched our brand and website in early 2022. We also invested in enhancing our fundraising capabilities directly in our programme countries.

Our expenditure on charitable activities increased by £3.2m to £10.9m. Our investment in our work in Ukraine, Romania and Moldova increased by £3.6m as our remarkable local teams responded to the urgent and multi-faceted challenges of the crisis arising from the war in Ukraine. We also stepped up our investment in South Africa as we built significant momentum in care reform and extended a key partnership in Western Cape province.

These increases were partially offset by £0.4m of reductions following our exits from Sudan and Bosnia. Expenditure in Rwanda and Uganda dropped by £0.3m following the successful completion of our UK Aid Match grant.

Operational Result

The resulting operational surplus of £2.6m was, after transfers, predominantly in restricted funds given the nature of our Ukraine appeal. Including exchange rate impacts, the impact on unrestricted funds was a reduction of £0.3m

Cash

Operational expenditure included £1.7m of non-cash items (principally depreciation and donations of properties to local authorities). Our in-year cashflow from operating activities was therefore £4.3m.

We invested £0.8m in net capital expenditure, mainly the construction of new small group homes in Romania. We also continued planned repayments on our UBS programme-related investment loan, which is fully repayable by 2030.

Net cash flow in 2022 was therefore £3.4m, leading to a closing cash position of £5.0m.

Reserves Policy

Our commitment to our national programmes is long-term, to drive the sustainable change and impact which is at the heart of our mission. As an organisation relying almost entirely on annual fundraised income, we need to hold adequate funds to enable us to react to any unexpected adverse impact on our finances and ensure we can cover future liabilities as they arise, whilst any short or long-term adjustments are made to our strategy. Therefore the financial principles underpinning our strategy are:

- Financial resilience through sufficient free reserves to provide stability of expenditure in our fundraising, operational activities, advocacy and core programmes work despite fluctuations in our income.
- Financial sustainability through fundable programmes which yield multi-year funding commitments from all sources, including grants, corporate partnerships and other major donors.
- Sufficient unrestricted funding and core cost coverage to enable appropriate investment in our people, capabilities, systems and process to sustain and enhance our income and impact.

The trustees have set the reserves policy in terms of the level of free liquidity (i.e. unrestricted cash and marketable securities, less short-term financial debt). The target range for free liquidity was set based on the need for working capital (given income seasonality) and sufficient unrestricted funding to allow for variability in future income versus expenditure commitments. In consideration of these needs, we have set a target range for free liquidity of between £1.6m and £2.0m. This range equates approximately to between 2 and 2.5 months of total expenditure or between 4.5 and 6 months of unrestricted expenditure.

At the end of 2022, our free reserves stood at £0.9m, in line with 2021. Our free liquidity increased by £0.2m but still stood at the lower figure of £660k, equivalent to just under 2 months of unrestricted expenditure. Our future plans balance the need to build our free liquidity while continuing to invest in our mission, and we are targeting the delivery of a modest unrestricted operational surplus in each of the next 3 years to reach our target range.

Going Concern

Hope and Homes for Children's income is secured largely from voluntary income sources together with ongoing support from a number of international donors. Having navigated a challenging period in 2018-19, we reduced and restructured our debt and closed operations in Latin America, Sudan, Bosnia and Transnistria. These decisions enabled us to reduce our annual deficit and strengthen our balance sheet. Our highly successful Ukraine appeal generated significant incremental income in 2022.

The Trustees have considered several factors in concluding that it remains appropriate to adopt the going concern basis in the preparation of these financial statements. These include:

- By the end of 2020, we had significantly strengthened our balance sheet, reducing our debt to £1.4m and restructured this amount so that it is repayable between 2021 and 2030.
- Our Ukraine Crisis appeal has delivered exceptional levels of support in geographies which were otherwise proving more difficult to fundraise for.
- Thanks to our fundraising efforts, including our Ukraine Crisis appeal, our cash balances at the end of 2022 stood at c£5m.
- We are seeing the adverse impacts of high inflation in the UK and many of our programme countries. We have suffered with the adverse foreign exchange impacts of GBP being weaker against a number of currencies, but for now those seem to have abated.
- The fundraising environment remains highly competitive, but through continued reinvestment in Marketing, Communications and Fundraising, we have laid the foundations for more sustainable income generation in the coming years, including:
 - Our relaunched 'challenger' brand
 - Improved content library, website and social media presence
 - Launch of The Family to key supporters to build multi-year income
 - Launch of the Home Advantage campaign

We continue to operate timely cash management and working capital controls to manage the potential risks around the timing and value of income and ensure restricted and unrestricted assets and reserves are appropriately managed.

Stress-testing of our forecast model through to the end of 2024 indicates a sufficient degree of contingency and adaptability to changing circumstances.

Considering all of the above, the Trustees believe that Hope and Homes for Children has adequate resources to continue operating successfully for the foreseeable future and so should continue to adopt the going concern basis in preparing the annual report and the financial statements.

Investment Policy

Our governing document provides us with the powers to invest monies not immediately required as we see fit. The policy we have set aims to invest funds to generate income. Cash balances are held to ensure funds are available to meet day to day commitments with any funds that are not instantly required being placed on term deposits until needed.

Grant-Making Policy

Hope and Homes for Children works in partnership with a number of organisations. Grants payable are made in line with strategic and business plans. We monitor grants operationally and financially throughout the term and particularly at the end of the grant. The annual planning process includes earmarking funding to be made available for grants in the following year.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming 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; and
- 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of Information to Auditor

Insofar as each of the trustees of the charitable company at the date of approval of this report is aware there is no relevant audit information (information needed by the charitable company's auditor in connection with preparing the audit report) of which the charitable company's auditor is unaware. Each trustee has taken all of the steps that he/she should have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Trustees' Annual Report (including the Strategic Report) was approved by the Board of Trustees on [25th May 2023] and signed on their behalf by:



Ramesh Parmar
Trustee and Treasurer



Richard Greenhalgh
Trustee and Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOPE AND HOMES FOR CHILDREN

Opinion

We have audited the financial statements of Hope and Homes For Children ('the charitable company') and its subsidiaries ('the group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Financial Activities, the Group and Company Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 December 2022 and of the group's 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

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 trustee's 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.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

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 our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent company has not kept adequate accounting records; or
- the parent company 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 trustees' responsibilities statement set out on page 21, the trustees (who are also the directors of the charitable company for the purposes of company law) 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.

Auditor's 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 an auditor's report 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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 auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act

2006, together with the Charities SORP (FRS102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

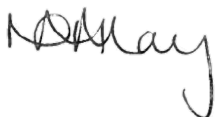
In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be necessary to the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the group for fraud. The laws and regulations we considered in this context for the UK operations were employment legislation, taxation legislation and General Data Protection Regulations. We also considered compliance with local legislation for the group's overseas operating segments.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, grants payable and override of controls by management. Our audit procedures to respond to these risks included enquiries of management, the Finance, Audit and Risk Committee about their own identification and assessment of the risks of irregularities, designing audit procedures over the timing of income, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's 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.



Nicola May

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

London

Date: 22 June 2023

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(incorporating an income and expenditure account) for the year ended 31 December 2022

	Notes	Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	2021 Total
		£	£	£	£	£	£
Income from:							
Donations and legacies	2	2,828,193	11,388,188	14,216,381	3,359,963	4,787,971	8,147,934
Charitable activities	4	-	1,806,266	1,806,266	-	523,678	523,678
Trading activities		14,597	-	14,597	12,515	-	12,515
Investment income		22,105	157	22,262	1,144	-	1,144
Other income		2,900	5,373	8,273	5,244	11,901	17,145
Total income		2,867,795	13,199,984	16,067,779	3,378,866	5,323,550	8,702,416
Expenditure on:							
Raising funds	5	1,566,211	1,030,142	2,596,353	1,908,616	454,850	2,363,466
Charitable activities: work globally to eradicate the institutional care of children	5	2,493,502	8,391,839	10,885,341	2,455,867	5,235,302	7,691,169
Total expenditure		4,059,713	9,421,981	13,481,694	4,364,483	5,690,152	10,054,635
Net income/ (expenditure)		(1,191,918)	3,778,003	2,586,085	(985,617)	(366,602)	(1,352,219)
Transfers		824,610	(824,610)	-	654,485	(654,485)	-
Other recognised gains/ (losses)		66,984	144,115	211,099	(148,482)	(188,732)	(337,214)
Net movement in funds		(300,324)	3,097,508	2,797,184	(479,614)	(1,209,819)	(1,689,433)
Reconciliation of funds:							
Total funds brought forward	16	1,451,291	3,519,517	4,970,808	1,930,905	4,729,336	6,660,241
Total funds carried forward	16	1,150,967	6,617,025	7,767,992	1,451,291	3,519,517	4,970,808

The notes on pages 28 to 42 form part of these financial statements.

BALANCE SHEETS

as at 31 December 2022

Registered Company Number: 04193179

	Notes	Group		Charity	
		2022	2021	2022	2021
		£	£	£	£
Fixed assets:					
Tangible fixed assets	12	2,239,932	2,290,870	27,307	18,798
Current assets:					
Donated properties under development		1,296,209	1,727,529	-	-
Stocks		169,381	52,693	-	-
Debtors and prepayments	13	910,196	976,413	672,409	913,300
Short-term bank deposits and cash resources	14	4,986,463	1,554,780	3,809,918	1,310,489
		7,362,249	4,311,415	4,482,327	2,223,789
Liabilities:					
Creditors: amounts falling due within one year	15a	607,649	323,105	383,061	262,572
Net current assets		6,754,600	3,988,310	4,099,266	1,972,173
Creditors: amounts falling due after more than one year	15b	1,226,540	1,308,372	1,190,533	1,298,763
Net assets		7,767,992	4,979,808	2,936,040	681,252
Funds:					
Restricted funds	16/17	6,617,025	3,519,517	2,801,366	795,743
Unrestricted funds	16/17	1,150,967	1,451,291	134,674	(114,491)
Total funds		7,767,992	4,970,808	2,936,040	681,252

The notes on pages 28 to 42 form part of these financial statements.

The parent charity made a surplus in the year of £2,254,787 (2021: deficit of £279,864).

The financial statements on pages 28 to 42 were approved and authorised for issue by the Board of Trustees on 25th May 2023.

Signed on behalf of the Board of Trustees by:



Ramesh Parmar
Trustee and Treasurer



Richard Greenhalgh
Trustee and Chair

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2022

	Notes	2022	2021
		£	£
Cash flows from operating activities:			
Net cash provided by/(used in) operating activities	20	4,311,005	(240,281)
Cash flows from investing activities:			
Interest received		22,262	1,144
Proceeds from sale of property		110,521	72,257
Proceeds from sale of other fixed assets		6,454	-
Purchase of property		-	(227,818)
Purchase of other fixed assets		(131,180)	(29,121)
Purchase of assets under development		(824,610)	(654,485)
Net cash (used in) investing activity		(816,553)	(838,023)
Cash flows from financing activities:			
Cash outflows from loans		(72,154)	(72,154)
Interest paid		(16,763)	(28,861)
Net cash (used in) financing activity		(88,917)	(101,015)
Change in cash and cash equivalents in the year		3,405,535	(1,179,319)
Cash and cash equivalents at the start of the year		1,554,780	2,718,886
Change in cash and cash equivalents due to exchange rate movements		26,148	15,213
Cash and cash equivalents at the end of the year		4,986,463	1,554,780

The notes on pages 28 to 42 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

1. ACCOUNTING POLICIES

Legal Status of the Charity

Hope and Homes for Children is a company limited by guarantee and is registered in England and Wales with the Charity Commission (Reg No: 1089490) and with Companies House (Reg No: 04193179). The charitable company was incorporated in April 2001 and has no share capital. The members of the company are the Trustees named on page 3. In the event of the company being wound up, the liability in respect of the guarantee for each member is limited to £10. At the balance sheet date there were 13 members.

Registered and principal office

The registered and principal office of Hope and Homes for Children is East Clyffe, Salisbury, Wiltshire, SP3 4LZ.

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) (Charities SORP 2019) and the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102).

The financial statements have been prepared under the historical cost convention.

Hope and Homes for Children meets the definition of a Public Benefit Entity under FRS 102.

Basis of consolidation

The financial statements consolidate the results of the charity and its subsidiary undertakings (Hope and Homes for Children – Romania; Hope and Homes for Children – Ukraine; and One Child One Family HHC – South Africa) on a line-by-line basis. Hope and Homes for Children – Romania is registered with the Judiciary of Baia Mare in Romania (certified: 23 September 2001). Hope and Homes for Children Ukraine is registered as a charitable organisation (number 39224734). One Child One Family HHC South Africa is registered a non-profit company (NPC) with the Companies and Intellectual Property Commission in South Africa (registered 1 November 2017). The Boards of the subsidiaries have a majority of directors who are senior managers of the charity, and the organisations are managed on a unified basis.

Much of the operational activity of the charity is carried out through branches located in the countries of operation. In line with the requirements of SORP 2019, their results are included within those of the charity on a line-by-line basis.

The charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements. The parent charity has also taken advantage of the exemptions in FRS102 from the requirement to present a charity only Cash Flow Statement.

Going Concern

Hope and Homes for Children's income is secured largely from voluntary income sources together with ongoing support from a number of international donors. Having navigated a challenging period in 2018-19, we reduced and restructured our debt and closed operations in Latin America, Sudan, Bosnia and Transnistria. These decisions enabled us to reduce our annual deficit and strengthen our balance sheet. Our highly successful Ukraine appeal generated significant incremental income in 2022.

The Trustees have considered several factors in concluding that it remains appropriate to adopt the going concern basis in the preparation of these financial statements. These include:

- By the end of 2020, we had significantly strengthened our balance sheet, reducing our debt to £1.4m and restructured this amount so that it is repayable between 2021 and 2030.

- Our Ukraine Crisis appeal has delivered exceptional levels of support in geographies which were otherwise proving more difficult to fundraise for.
- Thanks to our fundraising efforts, including our Ukraine Crisis appeal, our cash balances at the end of 2022 stood at c£5m.
- We are seeing the adverse impacts of high inflation in the UK and many of our programme countries. We have suffered with the adverse foreign exchange impacts of GBP being weaker against a number of currencies, but for now those seem to have abated.
- The fundraising environment remains highly competitive, but through continued reinvestment in Marketing, Communications and Fundraising, we have laid the foundations for more sustainable income generation in the coming years, including:
 - Our relaunched 'challenger' brand
 - Improved content library, website and social media presence
 - Launch of The Family to key supporters to build multi-year income
 - Launch of the Home Advantage campaign

We continue to operate timely cash management and working capital controls to manage the potential risks around the timing and value of income and ensure restricted and unrestricted assets and reserves are appropriately managed.

Stress-testing of our forecast model through to the end of 2024 indicates a sufficient degree of contingency and adaptability to changing circumstances.

Considering all of the above, the Trustees believe that Hope and Homes for Children has adequate resources to continue operating successfully for the foreseeable future and so should continue to adopt the going concern basis in preparing the annual report and the financial statements.

Income

Income is recognised in the SOFA when the charity becomes entitled to the income, it is probable that the income will be received, and the amount can be measured reliably.

Grants receivable that do not relate to the performance of a service or the production of charitable goods are classified as voluntary income and those that are performance-related are classified as income from charitable activities. Grants are credited to income in the SOFA, with unspent balances being carried forward to subsequent years within the relevant fund.

Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Legacy income is included when there is sufficient evidence of entitlement, probable receipt and where the amount is measurable. Pecuniary and residuary legacies notified before the year end, are accrued where it can be demonstrated that the charity had entitlement at the year end, the amounts can be quantified with reasonable certainty and where receipt is probable.

Expenditure

All expenditure is accounted for on an accruals basis. Expenditure on raising funds represents expenditure incurred in attracting funding and the costs of disseminating information about charitable activity. Expenditure on charitable activities includes the direct costs of operating overseas programmes and grants made to third parties. It also includes support costs incurred at the UK office directly in support of the overseas activities.

Allocation of support costs

The majority of costs are directly attributable to specific activities. Certain shared costs, including governance costs, are apportioned to activities based on the proportion of staff time allocated to the activity.

Pension scheme

The costs of providing defined contribution pensions are charged to the SOFA as they fall due. The difference between contributions payable in the period and those actually paid are shown as accruals in the balance sheet. The costs of the

pension scheme are allocated between restricted and unrestricted funds in proportion to the time allocated for work done by members of staff.

Operating leases

Instalments paid under operating lease contracts are charged to the SOFA as incurred.

Exchange rate gains and losses

The results and financial position of subsidiaries (none of which has the currency of a hyper-inflationary economy) that conduct business in a foreign currency are translated into sterling at the rate of exchange ruling at the date of the transaction. The affairs of the subsidiaries are so closely interlinked with those of the parent charity that it is considered that the incoming resources and application of resources may be regarded as being more dependent on sterling than on its own reporting currency. At the balance sheet date, cash and bank balances, amounts receivable and payable and fixed assets are translated by using the rate of exchange ruling at that date. Exchange movements are recorded in the SOFA.

Presentation currency

The functional currency of Hope and Homes for Children and its subsidiaries is considered to be pounds sterling because that is the currency of the primary economic environment in which the charity operates. The consolidated financial statements are also presented in pounds sterling.

Tangible fixed assets and depreciation

Tangible fixed assets above an appropriate local minimum threshold are capitalised at cost and written off by equal annual instalments over their expected useful lives as follows:

Land	n/a
Property for functional use	20 to 40 years
Homes and services for beneficiaries	10 to 20 years
Improvements to property	10 years
Motor vehicles	4 to 5 years
Office and computer equipment	3 to 5 years

Ownership of homes and services for beneficiaries, rests with the charity while the running and management of the activity in the building is the responsibility of the local authority. At an appropriate point the charity and local authority will sign an agreement by which the property will be donated to the local authority for the continued provision of the services.

Vehicles and equipment used in overseas branches are not capitalised but charged in full to the SOFA when purchased.

Assets under development

Assets under development are valued at cost less impairment. When complete, those assets where ownership rests with the charity are transferred to fixed assets and those where ownership is retained by a project stakeholder are expensed to the SOFA.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases. Assets held under finance leases are recognised as assets at the lower of the fair value of the assets at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Stock

Stock is stated at the lower of cost and net realisable value.

Debtors

Other debtors are recognised in the financial statements at the settlement amount. Prepayments are valued at the amount prepaid at the balance sheet date.

Short-term bank deposits and cash

Short-term bank deposits and cash includes cash in hand, deposits held with banks and other highly liquid short-term deposits.

Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or reliably estimated.

Fund accounting

Restricted funds are funds that can only be used in accordance with specific restrictions imposed by donors or that have been raised by the charity for particular purposes. The costs of administering the restricted funds are charged against the specific fund. The detail of each restricted fund is set out in note 16.

Designated funds are funds that have been set aside by the Trustees out of unrestricted general funds for specific purposes. The aim and use of each designated fund are set out in note 16.

General funds are unrestricted funds that can be used at the discretion of the Trustees to further the charitable objectives.

Financial instruments

Hope and Homes for Children only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their amortised cost.

Significant estimates and judgements

In the application of the charity's accounting policies, which are described in note 1, Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects current and future periods.

The annual depreciation charge for the tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on economic utilisation and the physical condition of the assets.

Taxation

Hope and Homes for Children is a registered charity and as such is entitled to tax exemption on all its income and gains, properly applied for its charitable purposes.

VAT

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Gifts in kind

In line with the requirements of SORP 2019, the value of services provided by volunteers is not incorporated in these financial statements.

2. DONATIONS AND LEGACIES

	Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	2021 Total
	£	£	£	£	£	£
Individuals	1,074,143	2,254,061	3,328,204	1,409,295	313,894	1,723,189
Corporate donors	266,159	4,364,885	4,631,044	794,841	1,760,816	2,555,657
Charitable trusts and foundations	160,653	4,076,647	4,237,300	162,905	2,437,234	2,600,139
Community groups	99	330,479	330,578	20,213	192,613	212,826
Fundraising activities and events	1,011,202	342,116	1,353,318	336,838	83,414	420,252
Legacies	315,937	20,000	335,937	635,871	-	635,871
Total	2,828,193	11,388,188	14,216,381	3,359,963	4,787,971	8,147,934

3. LEGACY PIPELINE

Legacy notifications worth £168,447 to the charity did not meet the recognition criteria and hence have not been accounted for within these financial statements (2021: £322,352).

4. CHARITABLE ACTIVITIES

	Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	2021 Total
	£	£	£	£	£	£
Ukrainian network for child's rights/UNICEF (Ukraine)	-	827,401	827,401	-	-	-
Save the Children (Ukraine)	-	525,051	525,051	-	-	-
EU POCU (Romania)	-	448,744	448,744	-	4,507	4,507
Federal Ministry of Labor and Social Policy (Bosnia)	-	5,070	5,070	-	4,319	4,319
FCDO UK Aid Match	-	-	-	-	487,301	487,301
EIDHR Sudan	-	-	-	-	27,551	27,551
Total	-	1,806,266	1,806,266	-	523,678	523,678

5. ANALYSIS OF EXPENDITURE

	Staff Costs	Other direct costs	Grants payable	Allocated support Costs	2022	2021
	£	£	£	£	£	£
Costs of raising funds	1,812,419	647,137	-	136,797	2,596,353	2,363,466
Charitable expenditure						
Global advocacy initiatives	185,814	160,489	-	19,261	365,564	291,014
East and Southern Africa						
<i>Rwanda and regional activities</i>	438,629	321,408	-	42,272	802,309	1,021,059
<i>South Africa</i>	300,655	188,519	75,716	31,418	596,308	403,362
<i>Sudan</i>	-	-	-	-	-	78,609
<i>Uganda</i>	1,194	232	50,000	2,860	54,286	133,677
<i>Kenya</i>	-	12,436	-	692	13,128	-
Central and Southern Europe						
<i>Bosnia and Herzegovina</i>	17,453	-8,843	-	479	9,089	341,767
<i>Bulgaria</i>	277,246	190,928	-	26,039	494,213	412,426
<i>Moldova and Transnistria</i>	17,756	40,579	743,810	44,614	846,759	413,371
<i>Romania and regional activities</i>	1,132,237	4,123,079	-	292,293	5,547,608	3,676,331
Eastern Europe and Central Asia						
<i>Ukraine and regional activities</i>	265,997	1,265,184	-	144,724	1,675,905	361,335
Latin America	-	-	-	-	-	8,804
South and South East Asia						
<i>India</i>	70,053	3,748	100,049	9,669	183,519	255,213
<i>Nepal</i>	60,331	12,427	208,264	15,630	296,653	294,202
Total charitable expenditure	2,767,365	6,310,186	1,177,839	629,951	10,885,341	7,691,169
Total	4,579,784	6,957,323	1,177,839	766,748	13,481,694	10,054,635

Staff costs totalling £526,238 (2021: £506,265) are included in allocated support costs.

6. ANALYSIS OF SUPPORT COSTS

	2022	2021
	£	£
Directorate	180,447	177,763
Governance	69,134	55,768
Facilities management	134,744	77,614
Financial management	142,446	224,923
Information technology	110,911	118,030
Human resources	129,066	96,610
Total	766,748	750,708

7. GRANTS PAYABLE

Grants payable all relate to grants made to fund projects to implement organisational charitable objectives. They are made to Hope and Homes for Children's partner agencies as follows:

	2022	2021
	£	£
Child's i Foundation, Uganda	50,000	118,127
Copil Comunitate Familie, Moldova	743,810	330,492
Child In Need Institute, India	100,049	150,802
DONCEL	-	7,780
Forget Me Not, Australia	208,264	200,502
First Community Resource Centre, South Africa	75,716	22,953
Hope for Children, Transnistria	-	34,882
Total	1,177,839	865,538

8. NET INCOME

Net income is stated after charging:

	2022	2021
	£	£
Depreciation of fixed assets	323,882	319,457
Donation of Small Group Homes to local authorities	1,246,688	1,160,575
Movement on exchange rate	(81,201)	11,799
Interest payable	16,763	28,861
Property rental	84,513	54,416
Auditor's remuneration – statutory audit	35,640	29,640
Auditor's remuneration – other services	-	6,000

9. TRUSTEES' REMUNERATION AND RELATED PARTY TRANSACTIONS

The trustees were not remunerated during the current or preceding financial years. Reimbursements totalling £27 were made to trustees for expenses (2021: nil). Aggregate donations received from trustees during the year were £3,935 (2021: £663). No other benefits were awarded to Trustees during the financial year.

There were no related party transactions.

Aggregate transactions with the subsidiary undertakings were:

	2022	2021
	£	£
Funds remitted to:		
Hope and Homes for Children Romania	1,500,615	939,737
Hope and Homes for Children Ukraine	397,261	73,660
One Child One Family, HHCSA	505,858	179,794

10. STAFF COSTS AND NUMBERS

	2022	2021
	£	£
The costs of employing the UK contracted staff were:		
Salaries	1,995,742	1,839,098
National insurance	228,108	198,316
Pension scheme	92,282	86,261
	2,316,132	2,123,675
The costs of employing overseas staff on local contracts were:		
Salaries and local taxes	2,771,289	2,202,974
	5,087,421	4,326,649
The average number of contracted staff during the year was:		
	2022	2021
	No.	No.
In the UK	49	48
Overseas	148	128
	197	176

The total employee remuneration of the Senior Management Team (Key Management Personnel) was £544,312 (2021: £519,727).

For staff paid £60,000 or greater per annum, the number of employees with emoluments in the following ranges were:

	2022	2021
	No	No
£60,000-£69,999	4	2
£70,000-£79,999	-	3
£80,000-£89,999	-	1
£90,000-£99,999	3	1
£100,000-£109,999	1	1
£110,000-£119,999	1	-
£120,000-£129,999	-	1

Hope and Homes for Children paid pension contributions for higher paid employees amounting to £22,105 (2021: £20,601).

Termination payments were made or accrued as compensation for loss of employment totalling £18,228 (2021: £14,745) in accordance with organisational policy and the legal requirements of the countries in which the individuals work.

11. PENSION SCHEME

For employees based in the UK, the charity contributes up to 6% of members' salaries towards a defined contribution pension scheme, which is administered on its behalf by Aviva. At the year-end there were outstanding contributions of £nil (2021: £nil).

For employees based in Belgium, the charity contributes 4% of members' salaries towards a defined contribution pension scheme, which is administered on its behalf by Allianz. At the year-end there were outstanding contributions of £958 (2021: £1,842).

12. TANGIBLE FIXED ASSETS

GROUP	Land and Buildings	Improvements to leasehold Property	Motor vehicles	Office Equipment and Furniture	IT Equipment	Total
	£	£	£	£	£	£
Cost at 1 January 2022	4,311,141	214,726	206,623	64,912	192,631	4,990,033
Additions	79,889	-	74,404	4,721	52,056	211,070
Disposals	(168,507)	-	(49,194)	(2,706)	(54,174)	(274,581)
Foreign exchange movement	233,778	-	7,255	1,794	2,995	245,822
Cost at 31 December 2022	4,456,301	214,726	239,088	68,721	193,508	5,172,344
Depreciation at 1 January 2022	2,100,363	214,726	170,741	54,525	158,809	2,699,164
Charge for the year	272,796	-	19,468	4,947	26,671	323,882
Disposals	(118,781)	-	(49,194)	(2,694)	(51,484)	(222,153)
Foreign exchange movement	120,547	-	7,071	1,207	2,694	131,519
Depreciation at 31 December 2022	2,374,925	214,726	148,086	57,985	136,690	2,932,412
Net book value At 31 December 2022	2,081,377	-	91,002	10,735	56,818	2,239,932
At 31 December 2021	2,210,779	-	35,883	10,386	33,822	2,290,870

CHARITY	Land and Buildings	Improvements to leasehold Property	Motor vehicles	Office Equipment and Furniture	IT Equipment	Total
	£	£	£	£	£	£
Cost at 1 January 2022	59,813	214,726	-	31,553	119,358	425,450
Additions	-	-	-	-	23,958	23,958
Disposals	(59,813)	-	-	-	(55,299)	(115,112)
Cost at 31 December 2022	-	214,726	-	31,553	88,017	334,296
Depreciation at 1 January 2022	59,813	214,726	-	31,553	100,560	406,652
Charge for the year	-	-	-	-	13,398	13,398
Disposals	(59,813)	-	-	-	(53,248)	(113,061)
Depreciation at 31 December 2022	-	214,726	-	31,553	60,710	306,989
Net book value At 31 December 2022	-	-	-	-	27,307	27,307
At 31 December 2021	-	-	-	-	18,798	18,798

The freehold property represents a portfolio of buildings acquired or built as part of deinstitutionalisation projects in Romania, Albania and Bosnia and Herzegovina. The portfolio comprises 52 properties (2021: 55 properties) which are used as small group homes, day centres, emergency reception centres and as a training centre.

Motor vehicles include five cars acquired under a finance lease with a carrying value of £59,990 (2021: one car with a carrying value of £14,053).

13. DEBTORS AND PREPAYMENTS

	Group 2022	Group 2021	Charity 2022	Charity 2021
	£	£	£	£
Other debtors and accrued income	870,831	928,604	638,275	877,074
Tax recoverable	11,304	13,894	11,304	13,894
Prepayments	28,061	33,915	22,830	22,332
	910,196	976,413	672,409	913,300

14. CASH AND CASH EQUIVALENTS

	Group 2022	Group 2021	Charity 2022	Charity 2021
	£	£	£	£
Cash in hand:				
Held in the UK	3,768,068	1,216,936	3,768,068	1,216,936
Held overseas	1,218,395	337,844	41,850	93,553
	4,986,463	1,554,780	3,809,918	1,310,489

15. a) CREDITORS: Amounts falling due within one year

	Group 2022	Group 2021	Charity 2022	Charity 2021
	£	£	£	£
Trade Creditors	157,551	108,241	121,074	68,597
Other Creditors	91,766	31,960	1,580	26,594
Interest payable	-	12,098	-	12,098
Taxation & social security costs	156,288	52,236	82,590	47,543
Accruals	69,587	32,636	69,587	24,840
Provisions	4,387	10,745	-	10,746
Finance Lease	19,840	3,035	-	-
Loan	108,230	72,154	108,230	72,154
	607,649	323,105	383,061	262,572

Deferred income in the prior year related to portions of grants made for charitable activities which will be recognised in future periods when the cost is incurred for the charitable activities for which these grants were made.

15. b) CREDITORS: Amounts falling due after more than one year

	Group 2022	Group 2021	Charity 2022	Charity 2021
	£	£	£	£
Loan	1,190,533	1,298,763	1,190,533	1,298,763
Finance Lease	36,007	9,609	-	-
	1,226,540	1,308,372	1,190,533	1,298,763

Of the loan balance, there are loan repayments of £685,458 payable in 1-5 years, with the remaining balance due in 6-10 years, payable in instalments. All of the finance leases are payable in less than 5 years.

16. GROUP FUNDS

Current year	Balance at 1 Jan 2022	Income	Expenditure	Transfers	Other recognised gains/losses	Balance at 31 Dec 2022
	£	£	£	£	£	£
Restricted funds						
Overseas property fund	2,182,568	-	(321,255)	79,889	117,966	2,059,168
Rwanda	237,500	557,107	(672,840)	-	-	121,767
South Africa	98,302	350,707	(346,622)	-	(1,513)	100,874
Bosnia and Herzegovina	-	5,077	(5,077)	-	-	-
Bulgaria	142,681	255,011	(397,691)	-	-	-
Moldova and Transnistria	-	131,428	(131,428)	-	-	-
Romania	673,061	4,026,830	(2,776,871)	(904,499)	51,402	1,069,923
Ukraine and Regional Response*	-	7,224,646	(4,325,592)	-	(23,741)	2,875,313
India	-	170,547	(149,702)	-	-	20,845
Nepal	110,405	433,633	(219,903)	-	-	324,135
Global Advocacy	75,000	45,000	(75,000)	-	-	45,000
<i>Sub-total</i>	3,519,517	13,199,984	(9,421,981)	(824,610)	144,115	6,617,025
Unrestricted funds						
Designated funds						
<i>Fixed assets fund</i>	108,301	-	(55,055)	131,181	(3,664)	180,763
General fund	1,342,990	2,867,795	(4,004,658)	693,429	70,648	970,204
<i>Sub-total</i>	1,451,291	2,867,795	(4,059,713)	824,610	66,984	1,150,967
Total funds	4,970,808	16,067,779	(13,481,694)	-	211,099	7,767,992
Previous Year	Balance at 1 Jan 2021	Income	Expenditure	Transfers	Other recognised gains/losses	Balance at 31 Dec 2021
	£	£	£	£	£	£
Restricted funds						
Overseas property fund	2,637,772	-	(537,921)	287,241	(204,524)	2,182,568
Rwanda	239,080	714,836	(716,416)	-	-	237,500
Rwanda: funded by FCDO	-	467,702	(467,702)	-	-	-
South Africa	30,000	305,032	(233,282)	-	(3,448)	98,302
Sudan	-	28,888	(28,888)	-	-	-
Bosnia and Herzegovina	242,428	19,019	(90,881)	(170,566)	-	-
Bulgaria	50,014	529,629	(436,962)	-	-	142,681
Moldova and Transnistria	244,088	49,558	(293,646)	-	-	-
Romania	923,478	2,509,527	(2,008,025)	(771,160)	19,241	673,061
Ukraine	-	249,323	(249,323)	-	-	-
India	138,794	107,288	(246,083)	-	-	-
Nepal	223,682	210,580	(323,857)	-	-	110,405
Global Advocacy	-	132,168	(57,168)	-	-	75,000
<i>Sub-total</i>	4,729,336	5,323,550	(5,690,152)	(654,485)	(188,732)	3,519,517
Unrestricted funds						
Designated funds						
<i>Fixed assets fund</i>	122,761	-	(43,500)	29,121	(81)	108,301
General fund	1,808,144	3,378,866	(4,320,983)	625,364	(148,401)	1,342,990
<i>Sub-total</i>	1,930,905	3,378,866	(4,364,483)	654,485	(148,482)	1,451,291
Total funds	6,660,241	8,702,416	(10,054,635)	-	(337,214)	4,970,808

*Ukraine and Regional Response funds include those raised as part of our Ukraine crisis appeal to fund our work in Ukraine, Moldova and Romania to support vulnerable children and families during and in the aftermath of the crisis.

Restricted funds

All restricted funds are for work on specific projects or for work in particular countries. Where funds are received for these purposes, they are shown as restricted income on the Statement of Financial Activities. Expenditure for the purposes specified is applied against the income and any amounts unexpended at the balance sheet date are shown within restricted funds along with the net book value of fixed assets acquired with restricted funds and any cash or debtors relating to restricted funds.

The Overseas Property Fund represents the net book value of fixed assets acquired with restricted funds where the donor agreements require that the assets remain restricted. Expenditure in this fund of £321,255 represents the impact of depreciation charges and asset disposals. Transfers from the general fund of £79,889 represent the impact of the acquisition of restricted fixed assets. Other recognised gains of £117,966 in this fund represent the impact of exchange rate movements.

Designated funds

The fixed asset fund represents the net book value of unrestricted fixed assets. Expenditure in this fund of £55,055 represents the impact of depreciation charges and asset disposals. Transfers from the general fund of £131,181 represent the acquisition of unrestricted fixed assets. Other recognised losses of £3,664 in this fund represent the impact of exchange rate movements.

Unrestricted funds

The general fund represents free funds of the charity which are not designated and can be used at the discretion of the trustees to further the charitable objects. Expenditure on assets under development has been transferred to the general fund from the Romania restricted fund, together with the impact of exchange rate movements on the carrying value of these assets.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

GROUP	Unrestricted funds 2022	Restricted funds 2022	TOTAL 2022	Unrestricted funds 2021	Restricted funds 2021	TOTAL 2021
	£	£	£	£	£	£
Tangible fixed assets	180,766	2,059,166	2,239,932	108,303	2,182,567	2,290,870
Current assets	2,482,733	4,879,516	7,362,249	2,908,602	1,402,813	4,311,416
Current liabilities	(321,997)	(285,652)	(607,649)	(266,851)	(56,254)	(323,105)
Long term liabilities	(1,190,535)	(36,005)	(1,226,540)	(1,298,763)	(9,609)	(1,308,372)
	1,150,967	6,617,025	7,767,992	1,451,291	3,519,517	4,970,808

CHARITY	Unrestricted funds 2022	Restricted funds 2022	TOTAL 2022	Unrestricted funds 2021	Restricted funds 2021	TOTAL 2021
	£	£	£	£	£	£
Tangible fixed assets	27,307	-	27,307	18,798	-	18,798
Current assets	1,619,896	2,862,431	4,482,327	1,417,090	806,700	2,223,789
Current liabilities	(321,996)	(61,065)	(383,061)	(262,572)	-	(262,572)
Long term liabilities	(1,190,533)	-	(1,190,533)	(1,298,763)	-	(1,298,763)
	134,674	2,801,366	2,936,040	(125,447)	806,700	681,252

18. LEASE COMMITMENTS

The total commitments under non-cancellable operating leases on buildings are as follows:

	Group 2022	Group 2021	Charity 2022	Charity 2021
	£	£	£	£
Expiry date:				
Within one year	33,410	24,858	17,878	17,878

19. FINANCIAL INSTRUMENTS

Financial assets that are debt instruments measured at amortised cost:

	Group 2022	Group 2021	Charity 2022	Charity 2021
	£	£	£	£
Other debtors	870,831	928,604	877,073	887,073
Short term bank deposits and cash resources	4,986,463	1,554,780	1,321,445	1,321,445

Financial liabilities measured at amortised cost:

	Group 2022	Group 2021	Charity 2022	Charity 2021
	£	£	£	£
Trade creditors	157,551	108,241	121,074	68,597
Other creditors	91,766	31,960	1,580	26,594
Interest payable	-	12,098	-	12,098
Accruals	69,587	32,636	69,587	24,840
Finance leases	55,847	12,634	-	-
Loans	1,298,763	1,370,917	1,370,917	1,370,917

20. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

	2022	2021
	£	£
Reconciliation of net income to net cash flow from operating activities		
Net income/(expenditure)	2,586,085	(1,352,219)
Depreciation charge	323,882	319,457
(Profit)/Loss on disposal of fixed assets	(3,752)	367
Donation of Small Group Homes to Local Authorities	1,246,689	1,197,885
(Profit)/Loss on disposal of overseas properties	(60,795)	189,339
Interest receivable	(22,262)	(1,144)
Interest payable	16,763	28,861
(Increase) in stock	(116,688)	(14,554)
Decrease/(Increase) in debtors	66,217	(396,183)
Increase/(decrease) in creditors	274,866	(212,090)
Net cash supplied by/(used in) operating activities	4,311,005	(240,281)

21. ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jan 2022	Cash Flows	Other movement	Foreign Exchange movement	At 31 Dec 2022
	£	£	£	£	£
Cash	1,554,780	3,405,535	-	26,148	4,986,463
Loans falling due within one year	(72,154)	72,154	(108,230)	-	(108,230)
Loans falling due after more than one year	(1,298,763)	-	108,230	-	(1,190,533)
Finance Lease	(12,634)	10,639	(51,514)	(2,338)	(55,847)
Total Net Debt	171,229	3,488,328	(51,514)	23,810	3,631,853

22. SUBSIDIARY UNDERTAKINGS

Hope and Homes for Children – Romania, Hope and Homes for Children – Ukraine, and One Child One Family HHCSA are wholly owned subsidiary undertakings of Hope and Homes for Children. They are registered in Romania (No: 1/23.01.2001 13661594), Ukraine (No. 39224734) and South Africa (No: 2017/489514/08) and do not have share capital. A majority of their governing board members are senior officers of Hope and Homes for Children and each share the same activities as Hope and Homes for Children.

Summary of the results of Hope and Homes for Children – Romania:	2022	2021
	£	£
Assets	4,285,316	4,248,700
Liabilities	(248,719)	(65,862)
Funds	4,036,597	4,182,838
Income	5,079,013	2,638,407
Expenditure	(5,225,254)	(3,932,901)
(Deficit)	(146,241)	(1,294,494)

Summary of the results of One Child One Family HHCSA:	2022	2021
	£	£
Assets	49,889	41,890
Liabilities	(11,874)	(4,279)
Funds	38,015	37,611
Income	557,822	324,647
Expenditure	(557,418)	(360,802)
Surplus/(Deficit)	404	(36,155)

Summary of the results of Hope and Homes for Children – Ukraine:	2022	2021
	£	£
Assets	757,342	69,109
Liabilities	-	-
Funds	757,342	69,109
Income	1,756,619	252,742
Expenditure	(1,068,386)	(249,519)
Surplus	688,233	3,223

23. CAPITAL COMMITMENTS

	Group 2022	Group 2021	Charity 2022	Charity 2021
	£	£	£	£
Homes and services for beneficiaries	213,070	253,795	-	-

24. PRIOR YEAR ADJUSTMENT

In prior years, our activities undertaken in Ukraine have been accounted for as a branch and included within the activities of the parent charity. During 2022 it was identified that the activity is undertaken across two registered entities, one of which is a branch of the parent charity and one of which is a subsidiary. Following a review of balances the opening funds of the charity as at 1 January 2021 have decreased by £7,734 and for the group have increased by £66,653.

The following tables set out the adjustments to the 2021 comparatives within the SOFA and the balance sheet:

Group	Original £	Adjustment £	Restated £
Income	8,702,416	-	8,702,416
Expenditure	10,043,584	11,051	10,054,635
Net (expenditure)	(1,341,168)	(11,051)	(1,352,219)
Other recognised gains / (losses)	(339,764)	2,550	(337,214)
Total funds brought forward	6,593,587	66,654	6,660,241
Total funds carried forward	4,912,655	58,153	4,970,808

As at 31 December 2021	Original		Adjustment		Restated	
	Group £	Charity £	Group £	Charity £	Group £	Charity £
Fixed Assets:						
Tangible Fixed Assets	2,238,808	18,798	52,062	-	2,290,870	18,798
Current Assets:						
Properties under development	1,727,529	-	-	-	1,727,529	-
Stock	47,887	-	4,806	-	52,693	-
Debtors and prepayments	975,128	913,300	1,285	-	976,413	913,300
Short-term bank deposits and cash resources	1,554,780	1,321,445		(10,956)	1,554,780	1,310,489
	4,305,324	2,234,745	6,091	(10,956)	4,311,415	2,223,789
Liabilities:						
Creditors: amounts falling due within one year	323,105	262,572	-	-	323,105	262,572
Net current assets	3,982,219	1,972,173	6,091	(10,956)	3,988,310	1,961,217
Creditors: amounts falling due after more than one year	1,308,372	1,298,763	-	-	1,308,372	1,298,763
Net assets	4,912,655	692,208	58,153	(10,956)	4,970,808	681,252
Funds:						
Restricted funds	3,519,517	806,699	-	-	3,519,517	806,699
Unrestricted funds	1,393,138	(114,491)	58,153	(10,956)	1,451,291	(125,447)
Total funds	4,912,655	692,208	58,153	(10,956)	4,970,808	681,252