



TRUSTEES' ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

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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 McNally

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

Simi Dubb

^

Paul Farthing

o

(appointed 1st May 2025)

John Good

*

Richard Greenhalgh

^

Chair (resigned 25th July 2024)

Ian Haslegrave

*^

Kristina Hedderly-Perez

o

(appointed 1st May 2025)

Maria Herczog

x

Martina Larkin

^

Chair (appointed as Trustee and Director 1st July 2024; appointed as Chair 25th July 2024)

Girish Menon

x

Chikondi Mpokosa

x

Ruchira Neotia

o

Ramesh Parmar

*

Treasurer

Camilla Otto

x

(resigned 1st May 2025)

Anna Segall

^

(resigned 1st May 2025)

Zofia Sochanik

o

Mike Thiedke

o

(resigned 1st May 2025)

* = 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

Brenda Kariuki

Director of Global Advocacy (from 12th February 2024)

Pete Garratt

Director of Global Programmes

Toby Bourke

Director of Global Marketing, Communications and Fundraising

Mark Shadrack

Chief Operating Officer and Company Secretary

Registered Office and Principal Address: The Guild, King Street, Wilton, Wiltshire, SP2 0RS

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. 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 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. More than five million people died as a result of the Covid-19 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 were 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 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.

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. We have specific plans in 2025 to increase our accountability to children and young people by strengthening the range of children's voices and the methods by which children and young people can speak to HHC nationally and internationally.

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.

STRATEGIC REPORT: WHAT WE ACHIEVED IN 2024

We worked directly and indirectly with **207 orphanages**, leading to **22 closures** and over **750 children** returned to their own families, or transitioned to new loving families or community-based services, 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. All metrics were ahead of target, and this compares to 8 orphanage closures and 660 children returned or transitioned in 2023. Due to our work supporting families in crisis, more than **4,300 new children** across ten countries who would otherwise have faced a strong possibility of being separated from parental care and installed in a residential institution, now are safe in their own loving family.

The goals we set ourselves for 2024, 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.

- In **Romania** we supported the closure of 6 institutions, prevented the separation of 656 children from their families, and transitioned 233 children and young adults from institutions. We celebrated Bucharest Sector 3 and Sibiu county being institution-free.
- In **Bulgaria**, we have supported the closure of one of the last four remaining children's institutions despite the lack of a permanent government. While the actual closure of these institutions was delayed, we supported the transition of 100 children and prevented a further 159 children from being separated from their families.
- In **Moldova**, our partner CCF prevented 131 children from family separation, and supported 79 children out of institutions. The three remaining large-scale institutions saw a 33% reduction in the number of residents.
- Our team in **Ukraine** continue to display incredible fortitude in helping especially vulnerable children and families, dealing with trauma and keeping families together providing case management support to 3,443 children and providing counselling, therapy and material support to a total of 6,367 children in the past year. Since the start of the war in February 2022, a total of 40,577 families with 69,113 children received assistance from Hope and Homes for Children, as we delivered emergency materials and psychosocial support and to provide support to children left without parental care and families with children at risk of separation. We also signed an agreement with the Department of Education of the Bucha city council and a construction company for the refurbishment of premises to create a rehabilitation centre for children with disabilities. We worked with 5 institutions to change their model and 97 children were supported into families, and 2,492 new children prevented from separation from their families or institutionalisation.
- In **Rwanda** we prevented the separation of more than 345 children from their families and transitioned 9 children and young adults with severe disabilities out of institutions and into loving families. Our team ran a joint survey with government to identify the last remaining unregistered institutions – finding a further 6 with 128 children in them. The team are developing a plan to work with these to close or transform.
- In **South Africa**, thanks to our work as the key knowledge partner of the government, considerable progress has been made in advancing towards national commitment to care reform as a result of the work done within The Presidency National Strategy for Accelerated Action for Children (NSAAC) and its follow-up workshops and invitations to submit written inputs under the 10 selected Accelerator Actions. In total, 104 children were transitioned and a further 118 children prevented from being separated from their families.
- In **India**, with our partner CINI, more than 400 children were supported to stay with their families, while the main focus of the team was putting in place the groundwork to scale up of state efforts to transform care provision, especially in inclusion for children with disabilities. Regrettably, as of January 2025, USAID has pulled the funding which has undermined the work that was being done.

- In **Nepal**, supporting our partners Forget Me Not and The Himalayan Innovative Society, 15 institutions were closed in 2024 by the focal municipalities in Kathmandu Valley following training, sensitisation and lobbying by the team over the last three years. In total, 134 children transitioned from institutions. The first foster care pilot has resulted in 52 potential foster carers being trained.
- In **Kenya**, we are working to demonstrate what transformation of the child care system looks like at the county level in Nakuru.
- We shared our know-how and expertise in promoting quality interventions and systems change with over **2,100 professionals** that we trained over the course of the year, 50% ahead of our target.
- We have developed a new HHC Advisory Services proposition that will help us share our technical know-how and experience with like-minded partners in additional country contexts globally.

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 priorities found in the sustainable development goals.

2024 was a year of impact, collaboration, and progress. Our advocacy has not only shaped policies but also empowered children and young people to be at the forefront of change. 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.

- **2024 – A Year of Advocacy and Impact:** It has been a year of tremendous progress and impact in our global advocacy efforts. Through strategic partnerships, policy influence, and grassroots engagement, we have strengthened our position as a leader in child protection and care reform. Our work has spanned multiple regions and international institutions, driving meaningful change for children and families worldwide.
- **Global Advocacy and Policy Influence:** In 2024, we made significant strides in influencing global policy on child protection. We actively participated in the Violence Against Children (VAC) Interministerial Conference, where we provided a ministerial speaker from Nepal and signed onto a Framework for Action on Child Protection System Strengthening. This included a strong commitment to the elimination of institutionalisation. The conference successfully connected VAC and care activists, with government pledges—such as those from the UK and Bulgaria—providing valuable advocacy leverage for future reforms. We also deepened our collaboration through the Transforming Children’s Care – Global Collaborative Platform, ensuring joint advocacy efforts and sector-wide transparency. Our positioning group continued to shape the global narrative, particularly in linking our work to gender equality and the rights of women and girls.
- In **Africa**, we undertook a structural review and rebranding of the Working Group on Children Without Parental Care (now Family First for Children Without Parental Care – FAFICA), ensuring a stronger and more focused approach. Our learning mission to Rwanda and Kenya fostered deeper engagement with the African Committee of Experts on the Rights and Welfare of the Child (ACERWC).
- **Asia** has been a hub of dynamic advocacy this year. The USAID-funded Children and Families Together (CAFT) project in India saw us establish a dedicated advocacy working group with project partners, setting the stage for impactful work in 2025 and beyond, despite the subsequent termination of the CAFT project by the US administration. Our BICON roundtable in Nepal brought together over 100 participants—including care-experienced young people, government representatives, and civil society—reaffirming the power of BICON as a platform for change. We also secured the **Nepal** government’s participation in the VAC summit and played a key role in influencing their commitments on alternative care. A particular highlight was supporting a care-experienced young person from Nepal in securing a position on the Global Care Leavers Council, strengthening youth representation on the international stage.
- **Commonwealth Advocacy:** Our influence within the Commonwealth has grown substantially. In June, we co-hosted an event with the Commonwealth Secretariat at the UN Conference of States Parties on the CRPD, where we showcased our work on disability rights and the Kigali Declaration. At the **Commonwealth Heads of Government Meeting (CHOGM) in Samoa**, we contributed to a groundbreaking side event on the Kigali Declaration—securing Foreign Secretary Hon. David Lammy as a keynote speaker and ensuring that children were active participants, a first for the Commonwealth. Additionally, our advocacy played a key role in reaffirming commitments to the Kigali Declaration on Child Care and Protection Reform within the CHOGM communiqué.

- **Europe and the EU:** We successfully advocated for the inclusion of institutionalisation and child trafficking in the EU Anti-Trafficking Directive—marking the first time this link has been formally recognised in an EU document. Furthermore, we strengthened ties with the Ukraine Coordination Centre and ensured civil society representation in key discussions in Kyiv. Our work influenced the inclusion of care reform language in the 2024 Ukraine and Moldova European Commission Enlargement Reports, and we led an EU accession and advocacy training for Moldova’s Children’s Rights Alliance.
- **United Kingdom** - Our UK advocacy efforts reached new heights in 2024. We successfully positioned HHC as a key advisor to the Foreign, Commonwealth & Development Office on childcare reform. A major breakthrough came when we secured the Shadow Foreign Secretary as a champion for global childcare reform, making it his priority international development issue. This has laid the groundwork for a significant campaign set to launch in early 2025. To ensure long-term sustainability, we established a cross-party parliamentary network on care reform and engaged UK ambassadors in our programming countries. Challenges remain in navigating an unstable aid sector, but we continue to lead with resilience and strategic influence.
- **United Nations Advocacy** - Our advocacy at the United Nations yielded significant results. We led efforts at the 2024 UN Human Rights Council Annual Day on the Rights of the Child, ensuring references to care reform and care leavers were included in the final resolution. Our two side events in Geneva were well attended, further cementing our leadership in this space. A major milestone was achieved in Romania, where HHC supported the first-ever child-led report to the UN, empowering children to hold their government accountable. This initiative sets a precedent for greater child participation in policy advocacy.

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.

- In the European Union, we achieved significant policy wins, securing the inclusion of children without parental care in Ukraine’s €50 billion support package under the **Ukraine Facility** Regulation.
- The inclusion of care reform language in the 2024 Ukraine and Moldova EC Enlargement Reports, increases the likelihood of financial support for care reform as part of the accession process. In particular, the European Commission published a proposal for a Regulation on Reform and Growth Agenda for Moldova under which the country will receive €1.8 billion. Amendments we prepared with our partner CCF Moldova, making the case for financing care reform, secured endorsement from Moldovan and international civil society organisations and were included in the European Parliament position at the end of the year.
- In Rwanda, the government has continued to provide financial support to the childcare reform agenda including child protection and welfare officers who implement the inclusive childcare reform at the community level, financial support for transitioning children and young adults with disabilities into family-based care, and prevention of institutionalisation of abandoned babies under six months. Our sustained advocacy and collaboration with the Government has helped to ensure the continuity of this funding. 2024 saw the celebration of the first-ever National Foster Care Day. The Government has committed to making this an annual event, with funding from public resources and contributions from partners, further highlighting the growing recognition of foster care as a vital component of childcare reform in Rwanda.
- We have played an active part of the Leadership Council of the Homecoming Project – designed to positively influence the church going community in the UK and Ireland in reviewing how they support overseas orphanages. A Homecoming study in 2024 revealed that this community in the UK gives £500m a year – a clearly significant funding flow that unfortunately helps keep children in residential institutions. As part of Homecoming, we are seeking to shift this flow by developing understanding and encouraging the UK’s Christian community to strengthen family care options.

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, more than 100,000 children were confined in the state orphanage system. We now have that down to less than 1,500 children. We have just a few hundred children left to transition in Rwanda, 900 in Moldova and only three institutions left to close in Bulgaria. Our approach works.
- We’re building commitment to national reform in India, Nepal, South Africa, and Kenya.

- 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 peers across our sector through initiatives such as the Transforming Children's Care Global Collaborative Platform (hosted by Better Care Network) to promote global collaboration, raise standards and share our learning with others. As founding members we continue to build Transform Africa Alliance and we work with fellow organisers of BICON (Biennial International Conference on Alternative Care for Children in Asia) to build co-operation in Asia.

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 split the delivery of our strategy into three, three-year review and planning cycles, the first of which ended on the 31st December 2024. By that date, we aimed to:

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 aimed to ensure that:

- Fewer children have been separated from their families
- More children have been reunited with their families or placed into forms of alternative family care
- Increased numbers of orphanages have been closed
- The child protection and care social workforce have increased
- Public authorities and other decision-making agencies are actively finding ways to be more accountable to children

While we have not achieved all of the aims for the first three-year cycle, we have made, very meaningful progress. Between 2022 and 2024, we worked directly and indirectly to successfully **close 76 orphanages** and support more than **1,900 children** to return to their own families, or transition to new loving families or community-based services. In addition, due to our work supporting families in crisis, more than **19,500 children** are safe in their own loving family, having faced a strong possibility of being separated from their families and placed in a residential institution.

PLANS FOR FUTURE PERIODS

During 2025 we will be undertaking an evaluation of progress on our strategy and an assessment of the learnings and adaptations needed. In the meantime, our plans for 2025 maintain the full ambition of the strategy but reflects our latest view of timelines and steps required.

Strategic Objective 1: National Reform

Close 26 institutions, transition more than 1,700 children back to family care and prevent more than 3,000 children from being separated from their families through:

- Continued delivery of programmes in Romania, Moldova, Rwanda & Bulgaria, targeting critical path issues specific to each country, leading to the closure of institutions, net reduction in the number of children in institutional care, and policy & legislation changes in line with our roadmap.
- Leverage our roadmap to implement child protection and care reform models in South Africa, Nepal & India which address key issues in each country to secure and sustain the political will to drive national change.
- Provide bespoke training and technical support in the demonstration of care reform and transformation in Nakuru county in Kenya.
- Providing psychosocial and material support in Ukraine while galvanising government action to reform child care systems and working to transform six residential institutions

Strategic Objective 2: Human Imperative

- Develop new partnerships and strategically utilize existing partnerships (e.g., Transform Alliance Africa, BICON, BCN, Child Rights Connect) to extend influence to select additional countries and a broader group of agreed 'early adopter' nations.
- Strengthen advocacy within UN treaty bodies, ASEAN, EU, African Union, and the Commonwealth, using that to improve the policy environment for care reform as a human rights priority; and advance care reform in humanitarian settings and social protection.
- Leverage the UK Foreign Secretary's campaign to drive global momentum on funding flows and policy commitments.
- Develop our response to the rapidly growing opportunity for our global advocacy in Africa.
- Develop and launch regionally focused advocacy campaigns for Eastern Europe and African countries in 2025.
- Use the "Families Not Institutions" roadmap to drive reform conversations, including digital accessibility and integration with strategic messaging. Complete & publish the results of the roadmap index pilots in Bulgaria & Jharkhand.

Strategic Objective 3: Financing

- Develop advocacy messaging and plan to engage major donors (including faith-based organisations) to influence funding decisions and narratives towards care reform (Back to Family) and away from institutional care.
- Identify opportunities to influence financial institutions, including the regional development banks and the World Bank through a thorough mapping of engagement opportunities.
- Explore strategic partnerships with governments, academia, and peer organisations to influence the development of a dedicated pooled funding mechanism.
- Actively leverage external events, networks and partnerships (including with donors and the private sector), developing positioning that taps into funding, changes funding flows and accelerates catalytic change by collaborating & sharing our know-how & roadmap.

FUNDRAISING & COMMUNICATIONS

Strategy and Approach

In an increasingly challenging context for international development fundraising, we are proud of many successes in 2024. These include the excellent results from the launch of our Back To Family proposition. Back To Family is an effective and emotive articulation of our mission and our work, and this messaging is now firmly embedded in all our communications, including our first ever sustained investment in social media advertising. Using this new communication and associated investment, we attracted more than 2,000 new donors from across the world, and were selected as one of the three charities supported by The Times and The Sunday Times Christmas Appeal 2024. We also secured significant grants for our work in Romania, Ukraine and Africa.

In the UK, building on our strong base of relationship fundraising, we benefitted from the financial support of 40 unique corporate organisations and a further 59 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. We received donations from 4,285 individuals in 2024, an increase of more than 50% compared to the previous year

Our primary goal remains to build a more resilient and sustainable income portfolio, and we have reshaped our investment in marketing, communications and fundraising so that we can invest to expand our funnel of engagement, drawing in support from substantially more people across multiple territories. We have developed and launched 'Back to Family' - our strong and simple proposition - backed by stories and messages which create urgency and inspire action, and which will enable us to acquire new support which we can convert into income.

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 16 complaints in 2024 (compared with 18 in 2023). 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 centred on our Back to Family messaging.</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 our 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 those who agree with us. Include funders in the conversation and work with them to convene a wider group of donors.</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>
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>Continue to invest in donor and income acquisition, based on an approach of (i) owning our space with a strong and simple proposition (Back to Family); (ii) feeding the funnel through stories and messages which inspire action, acquiring new support; and (iii) converting that interest to income.</p>
Short-term and / or unanticipated income shortfalls creating the need for short-notice expenditure cuts which lead to issues in implementation and or meeting grant funding conditions.	<p>Recover the drop in free liquidity in 2024 through a strong start to 2025, and maintain our medium term plan to build towards target levels to provide greater resilience.</p> <p>Maintain and monitor our forecasting processes, improving medium-term visibility and reducing bias to provide high quality income signals, allowing prompt and decisive actions to be taken in response.</p>
Staff burn-out	<p>Build on our successful UK staff survey and use this approach globally to identify key issues and opportunities for support. 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> <p>Where possible, invest selectively in additional resilience and capacity</p>
Death or serious injury to a staff member due to a security issue	<p>Continue to operate security protocols in high-risk geographies.</p> <p>Embed our cross-organisational 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>

Key Risk	Outline of Mitigation Plan
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. <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	Continue to embed Data Protection training. Conduct assurance process on Data Protection compliance and implement any improvements identified.

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 approach to equity, diversity and inclusion to drive an equitable, 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 our 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, and this remains a focus. 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, 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 Global 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, South Africa, Kenya and Hong Kong.

- 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 Charity and therefore its financial results are consolidated.
- The charitable organisation 'Hope and Housing for Children' (registration number 39224734) was established in Ukraine in 2014. A new entity, 'Hope and Homes for Children' (registration number 45443337) was established in Ukraine in 2024 as a charitable organisation. In both cases, the majority of its Board of Directors are senior managers of the 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 Charity and therefore its financial results are consolidated.
- Hope and Homes for Children (Kenya) was established in July 2023 under the Non-Governmental Organizations Co-ordination Act (registration certificate No. OP.218/051/23-108/13162). The majority of its Board of Directors are senior managers of the Charity and therefore its financial results are consolidated.
- Hope and Homes for Children Asia Limited (registration number 3304708) was incorporated as limited company in Hong Kong in August 2023. Hope and Homes for Children is the sole member of the company, and therefore its financial results are consolidated, although it had no transactions in 2024.

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.

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.
 - 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 subsidiaries and branches.

Income in 2024 of £11.0m was at a similar level to 2023. Expenditure of £11.3m was significantly lower than in the previous year. This was a deliberate decision as we completed investing the funds secured through our 2022 Ukraine regional response appeal and therefore further reduced expenditure supporting Ukrainian refugees in Romania and Moldova. This also brought our finances into a more balanced position with a small deficit of £0.3m being incurred in 2024.

Key Financial Summary

£m	2024	2023
Income	11.0	11.5
Expenditure	11.3	13.4
Net (expenditure)/income	(0.3)	(2.0)
Non-cash items and working capital movements	0.6	1.2
Net cash supplied by / (used in) operating activities	0.3	(0.8)
Cash flows from investing & financing activities	(0.8)	(1.2)
Change in cash and cash equivalents in the year	(0.5)	(2.0)
Cash and cash equivalents at the start of the year	3.0	5.0
Cash and cash equivalents at the end of the year	2.5	3.0
Total Closing Funds	5.1	5.6
Unrestricted Funds	1.2	1.5
Restricted Funds	3.9	4.1

Income

Total income in 2024 was £11.0m, a small drop of £0.5m (4%) compared to 2023. Overall there were no major swings in the level or mix of income between 2023 and 2024.

Income from individuals, fundraising events and community groups was, in aggregate, down (£0.1m), (5%). Growth in income came from charitable activities (+£0.2m, +19%) mainly in support of our work in Ukraine, and in legacies (+0.2m, +46%). This was offset by declines in income from charitable trusts and foundations (-£0.2m, -5%) and corporates (-£0.5m, -15%).

Expenditure

Expenditure of £11.3m was £2.1m lower than in 2023. As outlined above, we further reduced our expenditure supporting Ukrainian refugees in Romania and Moldova. As a consequence, total expenditure of £2.7m in Romania was £1.6m lower than the previous year, and our funding for Moldova fell by £0.3m to £0.5m. In contrast, our investment in Ukraine of £2.3m was a similar level to 2023 as we continue to support families and children impacted by the war while building the foundations for an institution-free future for the children of Ukraine.

We maintained expenditure in our vital global advocacy work and in Rwanda, while investment in India grew by 58% (£0.1m) in the first full year of our USAID 5-year consortium grant. Sadly that grant was paused and then cancelled in early

2025. Expenditure dropped by £0.1m in each of South Africa, Bulgaria and Nepal as we completed some significant restricted grants in those programmes.

Our investment in marketing, communications and fundraising was maintained at £2.8m as we launched our Back to Family proposition and invested in our broader fundraising capabilities.

Operational Result

The resulting operational deficit was £0.3m. After fund transfers and exchange rate impacts, the impact on unrestricted funds was a reduction of £0.3m

Cash

Operational expenditure included £0.6m of non-cash items (principally depreciation and donations of properties to local authorities). Combined with a £0.1m reduction in working capital, our in-year cashflow from operating activities was therefore £0.3m.

We invested £0.7m 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 2024 was therefore (£0.5m), leading to a closing cash position of £2.5m.

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 2024, our free liquidity fell by £0.7m to £0.2m. Unrestricted funds in the parent charity are reported as (£0.3m), but this includes the (£0.9m) balance of a programme-related investment loan, which is repayable in instalments by 2030. Those repayments will be met from future surpluses, and hence free reserves of the parent charity are £0.6m. At the group level free reserves fell to £11k. A significant portion of this shortfall at group level can be attributed to delays in income receipts in our Romanian subsidiary at the end of 2024. Despite this setback after several years of modest improvements in our free reserves position, we made a strong start to 2025, benefitting from The Times and The Sunday Times Christmas Appeal 2024 which raised more than £600,000, and a UK Aid Match appeal in early 2025 which, including matching, raised more than £1.5m. In Romania we have secured new grants from the European Commission which will provide significant funding for our work.

Our future plans will continue to balance the need to build our free liquidity while continuing to invest in our mission, and we continue to target the delivery of an unrestricted operational surplus each year until we reach our target range.

Going Concern

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:

- The fundraising environment remains highly competitive, and we have reshaped our investment in marketing, communications and fundraising so that we can invest to expand our funnel of engagement, drawing in support from substantially more people. We have laid the foundations for more sustainable income generation in the coming years, including our new brand proposition 'Back to Family', investment in the acquisition of new donors and our continued ability to prospect and secure funding from trusts and foundations, institutions, corporates and philanthropists. We have developed a strong and simple proposition, backed by stories and messages which inspire action, and which will enable us to acquire new support which we can convert into income.
- At the start of 2025, we have benefitted from both The Times and The Sunday Times Christmas Appeal and a UK Aid Match appeal, as set out above.
- Along with many international charities, we have been impacted by the dramatic cuts to aid from the United States government. Early in 2024, our 5-year consortium grant from USAID was cancelled, and other projects under development were also stopped. The impact on our funding plans in 2025 was, however, limited to less than 5% of our total income, and we have secured alternative short-term funding for our work in India while we progress longer-term options.
- 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 2026 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 22nd May 2025 and signed on their behalf by:



Ramesh Parmar

Trustee and Treasurer



Martina Larkin

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 2024 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 2024 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.



Jayne Rowe

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

London

Date: 5 June 2025

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(incorporating an income and expenditure account) for the year ended 31 December 2024

	Notes	Unrestricted	Restricted	2024 Total	Unrestricted	Restricted	2023 Total
		£000s	£000s	£000s	£000s	£000s	£000s
Income from:							
Donations and legacies	2	3,244	6,071	9,315	3,174	6,734	9,908
Charitable activities	4	-	1,350	1,350	0	1,139	1,139
Trading activities		268	22	290	362	0	362
Investment income		45	5	50	39	0	39
Other income		9	21	30	1	4	5
Total income		3,566	7,469	11,035	3,576	7,878	11,453
Expenditure on:							
Raising funds	5	1,950	864	2,814	1,593	1,206	2,799
Charitable activities	5	2,943	5,568	8,511	2,718	7,891	10,609
Total expenditure		4,893	6,432	11,325	4,311	9,097	13,408
Net (expenditure)		(1,327)	1,037	(290)	(735)	(1,220)	(1,955)
Transfers		1,104	(1,104)	-	1,192	(1,192)	-
Other recognised (losses)		(92)	(133)	(225)	(74)	(110)	(184)
Net movement in funds		(315)	(200)	(515)	383	(2,522)	(2,139)
Reconciliation of funds:							
Total funds brought forward	16	1,534	4,095	5,629	1,151	6,617	7,768
Total funds carried forward	16	1,219	3,895	5,114	1,534	4,095	5,629

The notes on pages 29 to 43 form part of these financial statements.

BALANCE SHEETS

as at 31 December 2024

Registered Company Number: 04193179

	Notes	Group 2024 £000s	2023 £000s	Charity 2024 £000s	2023 £000s
Fixed assets:					
Tangible fixed assets	12	1,658	1,957	16	28
Current assets:					
Donated properties under development		1,958	1,386	-	-
Stocks		138	147	11	8
Debtors and prepayments	13	481	666	457	530
Short-term bank deposits and cash resources	14	2,483	2,991	1,994	2,029
		5,060	5,190	2,462	2,567
Liabilities:					
Creditors: amounts falling due within one year	15a	664	416	618	364
Net current assets		4,396	4,774	1,844	2,203
Creditors: amounts falling due after more than one year	15b	940	1,102	938	1,082
Net assets		5,114	5,629	920	1,149
Funds:					
Restricted funds	16/17	3,895	4,095	1,235	953
Unrestricted funds	16/17	1,219	1,534	(313)	196
Total funds		5,114	5,629	922	1,149

The notes on pages 29 to 43 form part of these financial statements.

The parent charity made a deficit in the year of £227k (2023: deficit of £1,787k).

The financial statements on pages 26 to 28 were approved and authorised for issue by the Board of Trustees on 22nd May 2025.

Signed on behalf of the Board of Trustees by:

R D Parmar

Ramesh Parmar
Trustee and Treasurer

PL

Martina Larkin
Trustee and Chair

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2024

	Notes	2024	2023
		£000s	£000s
Cash flows from operating activities:			
Net cash provided by/(used in) operating activities	20	352	(754)
Cash flows from investing activities:			
Interest received		50	39
Proceeds from sale of property		195	241
Proceeds from sale of other fixed assets		-	4
Purchase of property		-	(35)
Purchase of other fixed assets		(52)	(136)
Purchase of assets under development		(887)	(1,192)
Net cash (used in) investing activity		(693)	(1,079)
Cash flows from financing activities:			
Cash outflows from loans		(108)	(108)
Interest paid		-	-
Net cash (used in) financing activity		(108)	(108)
Change in cash and cash equivalents in the year		(449)	(1,941)
Cash and cash equivalents at the start of the year		2,991	4,986
Change in cash and cash equivalents due to exchange rate movements		(59)	(54)
Cash and cash equivalents at the end of the year		2,483	2,991

The notes on pages 29 to 43 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

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 The Guild, Wilton, SP2 0RS.

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; Charitable Organisation ‘Hope and Housing for Children’ (Ukraine); Charitable Organisation ‘Hope and Homes for Children’ (Ukraine); One Child One Family HHC – South Africa; Hope and Homes for Children Kenya; and Hope and Homes for Children (Asia)) 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). In Ukraine, ‘Hope and Housing for Children’ and ‘Hope and Homes for Children’ are registered as charitable organisations (number 39224734 and number 45443337). 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). Hope and Homes for Children (Kenya) is registered with the Non-Governmental Organizations Board (number OP.218/051/23-108/13162). Hope and Homes for Children Asia Limited is registered with the Companies Registry in Hong Kong (number 3304708). 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

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:

- The fundraising environment remains highly competitive, and we have reshaped our investment in marketing, communications and fundraising so that we can invest to expand our funnel of engagement, drawing in support from substantially more people. We have laid the foundations for more sustainable income generation in the coming years, including our new brand proposition ‘Back to Family’, our Home Advantage campaign and investment in the acquisition of new donors. We have developed a strong and simple proposition, backed by

stories and messages which inspire action, and which will enable us to acquire new support which we can convert into income.

- At the start of 2025, we have benefitted from both The Times and The Sunday Times Christmas Appeal, which raised more than £600,000 and a UK Aid Match appeal, which, including matching, raised more than £1.5 million.
- Along with many international charities, we have been impacted by the dramatic cuts to aid from the United States government. Early in 2024, our 5-year consortium grant from USAID was cancelled, and other projects under development were also stopped. The impact on our funding plans in 2025 was, however, limited to less than 5% of our total income, and we have secured alternative short-term funding for our work in India while we progress longer-term options.
- 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 2025 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 (including those with a clawback mechanism) 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 (including grant of probate), 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 7 years
Office and computer equipment	3 to 7 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	2024 Total	Unrestricted	Restricted	2023 Total
	£000s	£000s	£000s	£000s	£000s	£000s
Individuals	1,458	834	2,292	1,829	622	2,451
Corporate donors	438	2,122	2,560	315	2,702	3,017
Charitable trusts and foundations	284	2,900	3,184	193	3,164	3,357
Community groups	2	189	191	4	191	195
Fundraising activities and events	491	26	517	442	55	497
Legacies	571	-	571	391	-	391
Total	3,244	6,071	9,315	3,174	6,734	9,908

3. LEGACY PIPELINE

Legacy notifications worth £30k to the charity did not meet the recognition criteria and hence have not been accounted for within these financial statements (2023: £369k).

4. CHARITABLE ACTIVITIES

	Unrestricted	Restricted	2024 Total	Unrestricted	Restricted	2023 Total
	£000s	£000s	£000s	£000s	£000s	£000s
EU (Rwanda)	-	22	22	-	115	115
Keystone Human Services International (India)	-	213	213	-	10	10
Seneca Trust (Rwanda)	-	253	253	-	446	446
Government of the Faroe Islands (Ukraine)	-	68	68	-	-	-
Save the Children (Ukraine)	-	722	722	-	462	462
FCDO (Ukraine)	-	37	37	-	-	-
EU (Romania)	-	35	35	-	106	106
Total	-	1,350	1,350	-	1,139	1,139

5. ANALYSIS OF EXPENDITURE

	Staff Costs	Other direct costs	Grants payable	Allocated support Costs	2024	2023
	£000s	£000s	£000s	£000s	£000s	£000s
Costs of raising funds	1,693	867	-	254	2,814	2,799
Charitable expenditure						
Global advocacy initiatives	260	265	-	53	578	489
<i>Rwanda and regional activities</i>	367	302	76	74	819	830
<i>South Africa</i>	247	170	-	41	458	591
<i>Kenya</i>	28	10	-	4	42	20
<i>Bulgaria</i>	310	127	-	44	481	552
<i>Moldova</i>	21	8	414	43	486	773
<i>Romania and regional activities</i>	732	1,711	-	243	2,686	4,338
<i>Ukraine and regional activities</i>	964	1,151	-	210	2,325	2,410
<i>India</i>	177	83	51	31	342	217
<i>Nepal</i>	47	74	147	26	294	389
Total charitable expenditure	3,153	3,901	688	769	8,511	10,609
Total	4,846	4,768	688	1,023	11,325	13,408

Staff costs totalling £545k (2023: £596k) are included in allocated support costs.

6. ANALYSIS OF SUPPORT COSTS

	2024	2023
	£000s	£000s
Directorate	203	195
Governance	104	93
Facilities management	240	178
Financial management	218	287
Information technology	79	85
Human resources	179	138
Total	1,023	976

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 partners as follows:

	2024	2023
	£000s	£000s
Copil Comunitate Familie, Moldova	414	676
Child In Need Institute, India	51	83
Forget Me Not, Australia	147	263
Ubumwe Community Centre, Rwanda	55	-
Wikwiheba Mwana, Rwanda	21	-
First Community Resource Centre, South Africa	-	51
Total	688	1,073

8. NET INCOME

Net income is stated after charging:

	2024	2023
	£000s	£000s
Depreciation of fixed assets	249	264
Donation of Small Group Homes to local authorities	235	1,040
Movement on exchange rate	3	14
Interest payable	-	-
Property rental	93	95
Auditor's remuneration – statutory audit	43	39
Auditor's remuneration – other services	5	2

9. TRUSTEES' REMUNERATION AND RELATED PARTY TRANSACTIONS

The trustees were not remunerated during the current or preceding financial years. Reimbursements totalling £270 were made to 3 trustees for expenses (2023: £906, 2 trustees). Aggregate donations received from trustees during the year were £2k (2023: £2k). No other benefits were awarded to Trustees during the financial year.

One payment of £1,170 (2023: £nil) was made to Neo Margarita Limited in respect of catering provided for a Board event. Ruchira Neotia, a Trustee of Hope and Homes for Children, is a director of Neo Margarita Limited. At 31st December 2024 there were no amounts outstanding between the charity and Neo Margarita Limited (2023 £nil).

Aggregate transactions with the subsidiary undertakings were:

	2024	2023
	£000s	£000s
Funds remitted to:		
Hope and Homes for Children Romania	583	1,186
Hope and Homes for Children Ukraine	1,002	1,344
Hope and Homes for Children Ukraine	5	-
Hope and Homes for Children Kenya	10	-
One Child One Family, HHCSA	412	529

10. STAFF COSTS AND NUMBERS

	2024	2023
	£000s	£000s
The costs of employing the UK contracted staff were:		
Salaries	1,953	2,215
National insurance	212	237
Pension scheme	90	95
	2,255	2,547
The costs of employing overseas staff on local contracts were:		
Salaries and local taxes	3,136	2,981
	5,391	5,528
The average number of contracted staff during the year was:		
	2024	2023
	No.	No.
In the UK	47	53
Overseas	185	145
	232	198

The total employee remuneration of the Senior Management Team (Key Management Personnel) was £561k (2023: £522k).

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

	2024	2023
	No	No
£60,000-£69,999	3	6
£70,000-£79,999	2	1
£80,000-£89,999	-	2
£90,000-£99,999	1	1
£100,000-£109,999	1	-
£110,000-£119,999	1	-
£120,000-£129,999	1	1

Hope and Homes for Children paid pension contributions for higher paid employees amounting to £20k (2023: £22k).

Termination payments were made or accrued as compensation for loss of employment totalling £10k (2023: £61k) 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 £13k (2023: £13k).

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 £1k (2023: £nil).

12. TANGIBLE FIXED ASSETS

GROUP	Land & Buildings	Motor vehicles	Office Equipment & Furniture	IT Equipment	Total
	£000s	£000s	£000s	£000s	£000s
Cost at 1 January 2024	4,172	307	45	209	4,733
Additions	-	22	11	19	52
Disposals	(123)	-	-	(30)	(153)
Foreign exchange movement	(185)	(19)	(2)	(5)	(211)
Cost at 31 December 2024	3,864	310	54	193	4,421
Depreciation at 1 January 2024	2,426	158	32	160	2,776
Charge for the year	172	35	10	31	248
Disposals	(110)	-	-	(27)	(137)
Foreign exchange movement	(111)	(8)	(2)	(3)	(124)
Depreciation at 31 December 2024	2,377	185	40	161	2,763
Net book value					
At 31 December 2024	1,487	125	14	32	1,658
At 31 December 2023	1,746	149	13	49	1,957

CHARITY	Land and Buildings	Motor vehicles	Office Equipment and Furniture	IT Equipment	Total
	£000s	£000s	£000s	£000s	£000s
Cost at 1 January 2024	-	-	-	105	105
Additions	-	-	-	5	5
Disposals	-	-	-	(30)	(30)
Cost at 31 December 2024	-	-	-	80	80
Depreciation at 1 January 2024	-	-	-	77	77
Charge for the year	-	-	-	15	15
Disposals	-	-	-	(28)	(28)
Depreciation at 31 December 2024	-	-	-	64	64
Net book value					
At 31 December 2024	-	-	-	16	16
At 31 December 2023	-	-	-	28	28

The freehold property represents a portfolio of buildings acquired or built as part of deinstitutionalisation projects in Romania and Albania. The portfolio comprises 47 properties (2023: 50 properties) which are used as small group homes, day centres, emergency reception centres and as a training centre.

Motor vehicles include six cars acquired under finance leases with a carrying value of £29k (2023: six cars with a carrying value of £51k).

13. DEBTORS AND PREPAYMENTS

	Group	Group	Charity	Charity
	2024	2023	2024	2023
	£000s	£000s	£000s	£000s
Other debtors and accrued income	381	495	366	418
Tax recoverable	27	71	27	71
Prepayments	73	100	64	41
	481	666	457	530

14. CASH AND CASH EQUIVALENTS

	Group	Group	Charity	Charity
	2024	2023	2024	2023
	£000s	£000s	£000s	£000s
Cash in hand:				
Held in the UK	1,902	1,989	1,902	1,989
Held overseas	581	1,002	92	40
	2,483	2,991	1,994	2,029

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

	Group	Group	Charity	Charity
	2024	2023	2024	2023
	£000s	£000s	£000s	£000s
Trade Creditors	89	62	81	43
Other Creditors	29	18	14	14
Taxation & social security costs	49	70	46	64
Accruals	73	63	73	63
Provisions	260	72	260	72
Finance Lease	20	23	-	-
Loan	144	108	144	108
	664	416	618	364

The provision of £260k relates to a backdated VAT liability.

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

	Group	Group	Charity	Charity
	2024	2023	2024	2023
	£000s	£000s	£000s	£000s
Loan	938	1,082	938	1,082
Finance Lease	2	20	-	-
	940	1,102	938	1,082

Of the loan balance, there are loan repayments of £866k payable in 1-5 years, with the remaining balance due in 6-10 years, payable in instalments. The loan balance is interest-free. All of the finance leases are payable in less than 5 years.

16. GROUP FUNDS

Current year						
	Balance at 1 Jan 2024	Income	Expenditure	Transfers	Other recognised gains/losses	Balance at 31 Dec 2024
	£000s	£000s	£000s	£000s	£000s	£000s
Restricted funds						
Overseas property fund	1,729	-	(184)	-	(74)	1,471
Rwanda	353	792	(874)	-	-	271
South Africa	-	540	(281)	(217)	(4)	38
Kenya	-	20	(20)	-	-	-
Bulgaria	8	466	(453)	-	-	21
Moldova	-	163	(163)	-	-	-
Romania	1,072	2,529	(1,649)	(887)	(3)	1,062
Ukraine & Regional Response*	830	2,327	(2,154)	-	(52)	951
India	16	225	(241)	-	-	-
Nepal	37	207	(163)	-	-	81
Global Advocacy	50	200	(250)	-	-	-
Sub-total	4,095	7,469	(6,432)	(1,104)	(133)	3,895
Unrestricted funds						
Designated funds						
<i>Fixed assets fund</i>	229	-	(80)	52	(13)	188
General fund	1,305	3,566	(4,813)	1,052	(79)	1,031
Sub-total	1,534	3,566	(4,893)	1,104	(92)	1,219
Total funds	5,629	11,035	(11,325)	-	(225)	5,114

Previous year						
	Balance at 1 Jan 2023	Income	Expenditure	Transfers	Other recognised gains/losses	Balance at 31 Dec 2023
	£000s	£000s	£000s	£000s	£000s	£000s
Restricted funds						
Overseas property fund	2,059	-	(310)	35	(55)	1,729
Rwanda	122	753	(522)	-	-	353
South Africa	101	208	(303)	-	(6)	-
Bulgaria	-	438	(430)	-	-	8
Moldova	-	148	(148)	-	-	-
Romania	1,070	3,548	(2,327)	(1,227)	8	1,072
Ukraine & Regional Response*	2,875	2,290	(4,278)	-	(57)	830
India	21	139	(189)	45	-	16
Nepal	324	108	(395)	-	-	37
Global Advocacy	45	245	(195)	(45)	-	50
Sub-total	6,617	7,877	(9,097)	(1,192)	(110)	4,095
Unrestricted funds						
Designated funds						
<i>Fixed assets fund</i>	181	-	(78)	138	(12)	229
General fund	970	3,576	(4,233)	1,054	(62)	1,305
Sub-total	1,151	3,576	(4,311)	1,192	(74)	1,534
Total funds	7,768	11,453	(13,408)	-	(184)	5,629

*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 £184k represents the impact of depreciation charges and asset disposals. Other recognised losses of £74k 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 £80k represents the impact of depreciation charges and asset disposals. Transfers from the general fund of £52k represent the acquisition of unrestricted fixed assets. Other recognised losses of £13k 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	Restricted funds	TOTAL 2024	Unrestricted funds	Restricted funds	TOTAL 2023
	£000s	£000s	£000s	£000s	£000s	£000s
Tangible fixed assets	188	1,470	1,658	229	1,728	1,957
Current assets	2,587	2,473	5,060	2,756	2,434	5,190
Current liabilities	(618)	(46)	(664)	(369)	(47)	(416)
Long term liabilities	(938)	(2)	(940)	(1,082)	(20)	(1,102)
	1,219	3,895	5,114	1,534	4,095	5,629

CHARITY	Unrestricted funds	Restricted funds	TOTAL 2024	Unrestricted funds	Restricted funds	TOTAL 2023
	£000s	£000s	£000s	£000s	£000s	£000s
Tangible fixed assets	16	-	16	28	-	28
Current assets	1,227	1,235	2,462	1,613	953	2,566
Current liabilities	(618)	-	(618)	(363)	-	(363)
Long term liabilities	(938)	-	(938)	(1,082)	-	(1,082)
	(313)	1,235	1,182	196	953	1,149

18. LEASE COMMITMENTS

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

	Group 2024	Group 2023	Charity 2024	Charity 2023
	£000	£000	£000	£000
Expiry date:				
Within one year	-	22	-	8

19. FINANCIAL INSTRUMENTS

Financial assets that are debt instruments measured at amortised cost:

	Group 2024	Group 2023	Charity 2024	Charity 2023
	£000s	£000s	£000s	£000s
Other debtors	381	495	366	418
Short term bank deposits and cash resources	2,483	2,991	1,994	2,029

Financial liabilities measured at amortised cost:

	Group 2024	Group 2023	Charity 2024	Charity 2023
	£000s	£000s	£000s	£000s
Trade creditors	89	62	81	42
Other creditors	29	18	14	13
Accruals	73	64	73	64
Finance leases	22	42	-	-
Loans	1,082	1,191	1,082	1,191

20. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

	2024	2023
	£000s	£000s
Reconciliation of net income to net cash flow from operating activities		
Net income/(expenditure)	(290)	(1,955)
Depreciation charge	249	264
(Profit)/Loss on disposal of fixed assets	2	(2)
Donation of Small Group Homes to Local Authorities	236	1,040
(Profit)/Loss on disposal of overseas properties	(183)	(120)
Interest receivable	(50)	(39)
Decrease/(Increase) in stock	9	22
Decrease/(Increase) in debtors	185	244
Increase/(Decrease) in creditors	194	(208)
Net cash supplied by/(used in) operating activities	352	(754)

21. ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jan 2024	Cash Flows	Other movement	Foreign Exchange movement	At 31 Dec 2024
	£000s	£000s	£000s	£000s	£000s
Cash	2,991	(449)	-	(59)	2,483
Loans falling due within one year	(108)	108	(144)	-	(144)
Loans falling due after more than one year	(1,082)	-	144	-	(938)
Finance Lease	(42)	18	-	2	(22)
Total Net Debt	1,759	(323)	-	(57)	1,379

22. SUBSIDIARY UNDERTAKINGS

The following are wholly owned subsidiary undertakings of Hope and Homes for Children. In each case they 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.

Name and Registration Number	Registered Address
Hope and Homes for Children (Romania) No: 1/23.01.2001 13661594	Baia Mare, Bvd. Bucuresti No. 2A 430281, Maramures, Romania
Charitable Organisation 'Hope and Housing for Children' (Ukraine) No. 39224734	St. Zahorivska, 4, office 57, Kyiv, 04106, Ukraine
Charitable Organisation 'Hope and Homes for Children' (Ukraine) No. 45443337	St. Zahorivska, 4, office 57, Kyiv, 04106, Ukraine
One Child One Family HHCSA (South Africa) No: 2017/489514/08	Kerfield House, 24 Kyalami Boulevard Midrand, 1684, Gauteng, South Africa
Hope and Homes for Children (Kenya) No. OP.218/051/23-108/13162	P.O. Box 10752, 00100, Nairobi, Kenya
Hope and Homes for Children Asia (Hong Kong) No. 3304708	9/F Three Exchange Square, Hong Kong

Summary of the results of Hope and Homes for Children – Romania:	2024	2023
	£000s	£000s
Assets	3,918	4,043
Liabilities	(38)	(60)
Funds	3,880	3,983
Income	2,805	4,295
Expenditure	(2,907)	(4,349)
(Deficit)/Surplus	(102)	(54)

Summary of the results of One Child One Family HHCSA:	2024	2023
	£000s	£000s
Assets	58	46
Liabilities	-	(5)
Funds	58	41
Income	412	530
Expenditure	(395)	(527)
Surplus/(Deficit)	17	3

Summary of the results of Charitable Organisation 'Hope and Housing for Children' (Ukraine):	2024	2023
	£000s	£000s
Assets	247	463
Liabilities	-	(6)
Funds	247	457
Income	1,801	1,806
Expenditure	(2,011)	(2,106)
(Deficit)/Surplus	(210)	(300)

Summary of the results of Charitable Organisation 'Hope and Homes for Children' (Ukraine):	2024	2023
	£000s	£000s
Assets	3	-
Liabilities	-	-
Funds	3	-
Income	5	-
Expenditure	(2)	-
Surplus/(Deficit)	3	-

Summary of the results of Hope and Homes for Children Kenya:	2024	2023
	£000s	£000s
Assets	4	-
Liabilities	-	-
Funds	4	-
Income	10	-
Expenditure	(6)	-
Surplus/(Deficit)	4	-

Hope and Homes for Children Asia had no transactions in 2024.

23. CAPITAL COMMITMENTS

	Group 2024	Group 2023	Charity 2024	Charity 2023
	£000	£000	£000	£000
Homes and services	350	20	-	-