

**HOMES OF PROMISE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31ST DECEMBER 2020**

**HOMES OF PROMISE  
TRUSTEES' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2020**

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The Trustees present their report with the Financial Statements of the charity for the year ended 31st December 2020. The trustees have adopted the provisions of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK (SORP FRS 102)

**Reference and Administrative Information**

**Name**

The full name of the charity is Homes of Promise CIO. The charity uses the name **Homes of Promise** on its website and all of its literature

**UK Registered Charity Number**

1161750

**Ugandan Registered NGO Number**

11956

**Charity's Principal Address**

19 Ridings Avenue LONDON N21 2EL

**Trustees**

The following trustees served during the year:-

Mrs Jane Davidson (Chair)

Reverend Ian Crofts

Ms Heather Holgate

Mr Geoffrey Hill (Treasurer)

**Bankers**

Barclays Bank PLC, Enfield Town Branch

Stanbic Bank Uganda Limited, Garden City Branch, Kampala

**Independent Examiner**

Paul Reddaway

**Structure, governance and management**

The charity is a Charitable Incorporated Organisation and the Constitution is its governing document. Trustees are selected by invitation. The administration of the charity has been carried out by the treasurers and the chair. Mrs Jane Davidson manages the day to day running of the charity in Uganda. We have a Child Protection Policy and an Organisational Chart available on request. There is an office in George's Place in Uganda, however there is no office in the UK and the officers operate from their own homes.

### **Objectives and Activities**

Homes of Promise primarily care for street boys in Kampala, Uganda, through George's Place, a transitional home for boys. We support the boys into full time education and vocational training. The new life skills enable these young people to reach their full potential. We take vulnerable boys off the street, registering and working with the local authorities. We locate and visit with each boy their family and home village. Reconciling them with family where possible and appropriate. We are a Christian organisation working with boys and young people from different faiths and backgrounds. We also support other Christian Organisations, individuals and related initiatives in Uganda at the Trustees discretion. This is all in keeping with our objectives set out in our governing document. A summary of the objectives are to advance the Christian faith through the prevention or relief of poverty in Uganda, and such other parts of the world as the trustees from time to time may think fit by the provision of shelter, education and healthcare and all necessary support designed to enable individuals to generate a sustainable income and be self-sufficient.

### **Summary of Main Activities**

It is with thanksgiving to the Lord that we look back on 2020 which was an extremely difficult year for so many people across the world. Our chair was unexpectedly locked out of Uganda in April after she visited South Africa, but the work of Homes of Promise continued to thrive without her being in the country.

The boys did well during the early lockdown. Some went to stay with their relatives in the villages. They were visited by the managers in Uganda when lockdown finished and most then returned to George's Place later in the year.

Five of our older boys moved into their own accommodation in November – we furnished small rooms with bed and necessities and are helping with their rent. They seem to be doing well – two of these have been working on building sites but it isn't always easy to find work. One is well settled in the bakery and two are doing welding work. One has been helped to set up a chapati-making business.

It is encouraging to see these older boys moving forward in their lives and managing to fit into the workplace as well as having regular contact with their relatives, George's Place and each other.

One boy moved back with his father early in the year and has an apprenticeship in a welding business near Mbale. Sadly his father suffered a stroke in December but we were able to help with the medical fees.

The younger boys in George's Place have received home schooling since August when their lockdown finished. Sadly the schools are still not open but final year students are back – which means that one boy is back at school and one boy is back at vocational college. The boys in George's Place also received art classes, which they have really enjoyed, and local handicraft classes. They have been limited in taking exercise but managed to dig up some of the compound to grow vegetables.

One boy has continued growing crops of matoke, maize and gnuts and is looking into building himself a small house on the land to save on rent.

In December nearly all the younger boys went to their villages for Christmas, also to

**Summary of Main Activities (continued)**

avoid being in Kampala for the January 2021 elections.

We did have two management meetings during the year in Uganda and Mr. Ken Mdoe joined the committee – sadly his wife Betty died of COVID early in 2021. They have both been such a support in Uganda.

**Public Benefit**

The Charity Commission Public Benefit requirement is met by getting the street boys off the streets and out of the slums, by providing them with a safe place to live and stability for the future. The boys are supported and encouraged to enter education and vocational training. This provides the boys with the life skills needed to make a positive contribution to society, thus benefitting not just the boys and their families, but the public more widely.

**Contribution made by volunteers**

The whole UK operation is managed by volunteers. Apart from the trustees, we give thanks to all those who offer their time and support including emailing the weekly newsletters and updating our website. We also thank those who visit churches and groups on our behalf. We thank all our many knitters and those who have donated clothing and other items.

**Financial review**

The financial position has seen a fall in income from £74467 in 2019 to £48590 in 2020. Expenses have also fallen from £76696 in 2019 to £58523 in 2020 giving a deficit of £9933 which has been covered by previous year reserves.

Much of our income comes from individuals giving regular monthly amounts and then from Trusts and fundraising events.

The charity continues to receive a restricted donation of £5000 from an individual to cover governance costs.

In Uganda, we received £611 in the year.

The trustees give thanks to all involved.

**Future developments**

Where do we go from here? We give thanks to the Lord for the answers to prayers – for the older boys who are now working and resettled. Some of our younger boys who have been staying with their relatives might well be better in local schools near their villages or boarding schools, we are not sure! We know we can trust the Lord for our work – we are in a very changing world and many people are in difficult situations and circumstances in the U.K. as well as in other countries. Hopefully, our chair will be able to return shortly.

God bless Africa, Guard her children, Guide her leaders, And give her peace. For Jesus Christ's sake. Amen.

**Statement of trustees' responsibilities**

The trustees are responsible for preparing the Trustees' Report and Accounts in accordance with the applicable law and United Kingdom Accounting Standard (UK generally accepted accounting practice). The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these accounts, the trustees are required to:

- Select suitable accounting policies and then to apply them consistently

- Observe the methods and principles of the Charities SORP

- Make judgements and estimates that are reasonable and prudent

- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and taking the provisions of the Constitution. They are responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.



By order of the board

J K Davidson (Chair and trustee)

14th June 2021

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF HOMES OF PROMISE

I report on the accounts of the Charity for the year ended 31st December 2020, which are set out on pages 6 to 12.

**Respective responsibilities of trustees and examiner**

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

**Basis of independent examiner's report**

My examination was carried out in accordance with the general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair" view and the report is limited to those matters set out in the statement below.

**Independent examiner's statement**

In connection with my examination, no matter has come to my attention:

- 1 which gives me reasonable cause to believe that, in any material respect, the requirements:
  - to keep accounting records in accordance with section 130 of the Charities Act; and
  - to prepare accounts which accord with the accounting records and comply with the requirements of the Charities Acthave not been met; or
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

*P. Reddaway*

Paul Reddaway

4 Welsummer Way, Cheshunt, Waltham Cross, EN8 0UG

31/5/2021

**HOMES OF PROMISE  
STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31ST DECEMBER 2020**

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	<b>Note</b>	<b>General</b>	<b>Restricted</b>	<b>Total Funds 2020</b>	<b>Total Funds 2019</b>
<b>Income</b>					
Donations	2	<u>43590</u>	<u>5000</u>	<u>48590</u>	<u>74467</u>
<b>Expenditure</b>					
Raising funds		-	1080	1080	600
Charitable activities	3	57279	-	57279	74776
Governance costs		<u>-</u>	<u>164</u>	<u>164</u>	<u>1320</u>
Total expenditure		<u>57279</u>	<u>1244</u>	<u>58523</u>	<u>76696</u>
<b>Net (expenditure)</b>		(13689)	3756	(9933)	(2229)
<b>Reconciliation of funds:</b>					
Total funds brought forward		<u>30685</u>	<u>751</u>	<u>31436</u>	<u>33666</u>
<b>Total funds carried forward</b>		<u>16996</u>	<u>4507</u>	<u>21503</u>	<u>31437</u>

The notes on pages 8 to 12 form part of these financial statements.

**HOMES OF PROMISE**  
**BALANCE SHEET AS AT 31ST DECEMBER 2020**

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	Notes	£	£	£	£
		2020		2019	
<b>Fixed Assets</b>					
Tangible fixed assets	4		1		1
<b>Current Assets</b>					
Debtors	5	4020		8262	
Cash at bank		<u>17482</u>		<u>28762</u>	
		21502		37024	
<b>Creditors: Amounts falling due within one year</b>	6	-		<u>(5589)</u>	
Net Current Assets			<u>21502</u>		<u>31435</u>
<b>Total Assets less Current Liabilities</b>			<u>21503</u>		<u>31436</u>
<b>Charity Funds</b>					
<b>Restricted funds</b>	7		4507		751
<b>Unrestricted funds</b>					
General funds	8		<u>16996</u>		<u>30685</u>
			<u>21503</u>		<u>31436</u>

The financial statements were approved by the Trustees on 14th June 2021

  
 Geoffrey S. Hill

The notes on pages 8 to 12 form part of these financial statements.



**1 Accounting policies**

**a) Basis of preparation of financial statements**

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 1st January 2015) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Homes of Promise meets the definition of a public benefit entity as defined by FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Trustees are satisfied the charity has sufficient reserves and there are no material uncertainties to continue as a going concern for the foreseeable future.

**b) Legal status of the Charity**

The Charity is a Charity Incorporated Organisation. The trustees are named on page 2. The registered contact address is 19 Ridings Avenue, London, N21 2EL.

**c) Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

**d) Income**

Income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are received income from individual donors and organisations.

Income tax recoverable in relation to donations received under Gift Aid declarations is recognised at the time of the donation.

**1 Accounting policies (continued)**

**e) Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

**f) Tangible fixed assets and depreciation**

All assets costing more than £500 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Motor vehicles      33% straight line

**g) Debtors**

Other debtors are shown at the settlement amount.

**h) Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments.

**i) Creditors**

Creditors are recognised where the charity has an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement and the amount of the settlement can be estimated reliably.

**j) Financial instruments**

The charity 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 settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**k) Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**l) Foreign currency translation**

Foreign currency transactions are recorded at the exchange rate ruling on the date of transaction. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the retranslation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the Statement of Financial Activities.

**m) Reserves**

The charity have adopted a policy regarding reserves that should ensure that, excluding those funds represented by fixed assets, general reserves should be at a level commensurate to 3 to 6 months of planned operating expenditure. This is between £15,000 and £30,000.

**n) Use of Volunteers**

The charity from time to time relies on volunteers to be involved in the fund raising activities. This use of volunteers in the course of undertaking the charitable and income generating activities is not recognized within the Statement of Financial Activities.

**2 Donations and Legacies**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Gifts (Individuals and Organisations)	32727	54470
Fundraising events	-	5339
Trusts and Corporates	10000	5000
Gift Aid	<u>5863</u>	<u>9658</u>
	<u>48590</u>	<u>74467</u>

Donations in the current year include a donation from an individual of £5000 (2019: £5000) which is restricted for expenditure on core costs including fundraising, administration and governance costs.

**HOMES OF PROMISE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2020**

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	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>3 Analysis of charitable activities expenditure</b>		
George's Place	47018	56027
Education, school and vocational	8237	7599
Medical costs	1156	1082
Christian support	24	375
Depreciation of vehicle	-	4392
Travel and subsistence	-	3492
Shipping donated items to Uganda	708	1555
Bank charges	<u>136</u>	<u>254</u>
	<u><u>57279</u></u>	<u><u>74776</u></u>
Included in the above is the following restricted expenditure		
Travel and subsistence	-	3492
Shipping donated items to Uganda	<u>708</u>	<u>1555</u>
	<u><u>708</u></u>	<u><u>5047</u></u>
<b>4 Tangible fixed asset</b>		
<b>Motor vehicle</b>		
At cost, brought forward and carried forward	<u>13177</u>	
Depreciation brought forward	13176	
Charge in year	<u>-</u>	
Depreciation carried forward	<u>13176</u>	
Net book value at 31st December 2020	<u>1</u>	
Net book value at 31st December 2019	<u><u>1</u></u>	
<b>5 Debtors</b>		
Gift Aid receivable	<u>4020</u>	<u>8262</u>
<b>6 Creditors: amounts falling due within one year</b>		
Accrual	<u><u>-</u></u>	<u>5589</u>
<b>7 Restricted Funds</b>		
Balance at 1st January 2020	751	2718
Income	5000	5000
Expenditure	<u>(1244)</u>	<u>(6967)</u>
Balance at 31st December 2020	<u><u>4507</u></u>	<u><u>751</u></u>
<b>8 Unrestricted Funds</b>		
Balance at 1st January 2020	30685	30948
Income	43590	69466
Expenditure	<u>(57279)</u>	<u>(69729)</u>
Balance at 31st December 2020	<u><u>16996</u></u>	<u><u>30685</u></u>

**HOMES OF PROMISE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2020**

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	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>9 Net assets by fund</b>		
<b>Restricted funds</b>		
Current assets	<u>4507</u>	<u>751</u>
<b>General funds</b>		
Tangible fixed assets	1	1
Current assets	16995	36273
Creditors falling due in less than one year	<u>-</u>	<u>(5589)</u>
	<u>16996</u>	<u>30685</u>
 Total	 <u>21503</u>	 <u>31436</u>
 <b>10 Reconciliation of net movement in funds to net cash flow from operation activities</b>		
Net (expenditure) for the year (as Statement of Financial Activities)	(9933)	(2229)
Decrease (Increase) in debtors	4242	(6501)
(Decrease) Increase in creditors	(5589)	3287
Decrease in fixed assets	<u>-</u>	<u>4392</u>
Net cash (used in) operating activities	<u>(11280)</u>	<u>(1051)</u>