



## Money matters - overview

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In 2014 for every  
£1 we spent,

**81p**

went on our work with  
children and families

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For every £1 we spent on  
fundraising, we raised

**£5.65**

The UK average in 2014 was

**£4.70** for every £1 spent

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For every £1 we spend,  
we leverage an additional

**£12** from governments  
and other funding bodies



# Financial review

We are pleased to report strong financial results which reflect our aims of strengthening the core financial stability of the organisation as a base to build and develop our ambitious growth plans.

In 2014, our voluntary income rose from £5.7 million to £6.3 million, an increase of 10%. Undoubtedly the Numb3rs appeal run as part of UK government's UK Aid Match scheme played a significant part as much of the increase came from individual donations. Our grant income increased from £2.5 million to £2.8 million. In part the increase came from higher value grants from existing relationships, most notably related to our organisational capacity building grants. We have also received grants from funders that we have not previously worked with, the most significant of these being an unrestricted grant from the UBS Optimus Foundation.

There has been a fall in the level of overseas programme income from £1.6 million to £0.9 million. The level of this funding stream is determined by specific pieces of work. We completed a significant project in Romania and have allocated time this year applying for future project funding.

As reported earlier we are investing in future income growth. This is reflected in the increase in the level of the fundraising costs from £0.8 million to £1.3 million.

Our expenditure on charitable activities has reduced – from £6.5 million to £6.3 million. We have noted the reduced level of directly funded, country specific projects although we expect this dip to be temporary with plans for it to revert back to 2013 levels in 2015.

The result for the year is a surplus of £0.1 million which is 25% higher than last year. Because of the completion of a number of pieces of work funded by restricted grants (and replaced with unrestricted funding in 2015) there is a deficit of £0.7 million on the restricted fund. Therefore, we have been able to double the value of our general reserve from £0.7 million to £1.5 million. This brings the level of the general reserve to a point at which there is a stronger working capital base for developing the new funding streams to support organisational growth plans.

Hope and Homes for Children needs reserves to ensure the Charity can meet its objectives; both its current commitments and its longer term sustainability. We have used a range of measures to determine the level of reserves and at 31 December 2014, these indicated a required cash reserve of between £1 million and £1.1 million, including an unrestricted cash reserve of £400k. The reserves policy was exceeded at the year end and so our 2015 Business Plan included a budget in which expenditure exceeds income.

## Summary consolidated statement of financial activities

Year ended 31 December	2014 £'000	2013 £'000
<b>Incoming resources:</b>		
From generated funds	6,262	5,713
From charitable activity	1,588	2,120
<b>Total incoming resources</b>	<b>7,850</b>	<b>7,833</b>
<b>Resources expended:</b>		
Costs of generating funds	1,390	939
Charitable expenditure	6,281	6,540
Governance costs	57	72
<b>Total resources expended</b>	<b>7,728</b>	<b>7,551</b>
Net movements in funds	122	262
Funds brought forward at 1 January	4,008	3,726
<b>Funds carried forward at 31 December</b>	<b>4,130</b>	<b>4,008</b>

## Summary consolidated balance sheet

Year ended 31 December	2014 £'000	2013 £'000
<b>Fixed assets:</b>		
Tangible fixed assets	2,200	2,536
<b>Current assets:</b>		
Debtors and prepayments	285	238
Cash and current bank balances	1,859	1,331
	2,144	1,569
<b>Creditors: amounts falling due within one year:</b>	214	97
Net current assets	1,930	1,472
<b>Net assets</b>	<b>4,130</b>	<b>4,008</b>
<b>Accumulated funds:</b>		
Restricted funds	2,551	3,222
Unrestricted funds		
Designated funds	35	62
General funds	1,544	724
<b>Total funds</b>	<b>4,130</b>	<b>4,008</b>

Date auditors signed accounts: 5 August 15



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for Children

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Hope and Homes for Children is a company limited by guarantee (registered in England, number 4193179) and a registered charity (number 1089490)  
Photo: Alexandra Smart

