HOPE AND HOMES FOR CHILDREN

Registered Company Number: 04193179
Registered Charity Number: 1089490

TRUSTEES' ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

hopeandhomes.org

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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). VAT registration number GB490370001.

Founder Presidents

Mark Cook OBE

Caroline Cook OBE

Patrons

Kate Adie OBE DL
James Amos
Martin Bell OBE
Matt Bell
General The Lord Dannatt GCB CBE MC DL
Rick Foulsham CMG
David Furnish
Nick Hewer
Alastair Humphreys
The Lady Jopling MBE
Jay Jopling
Gordon McInally
The Rt Hon Sir Donald McKinnon ONZ GCVO
Natalie Pinkham
Dame Kristin Scott Thomas DBE
James Whiting
Claire Wright MBE

Trustees and Directors

Simi Dubb	^	
Paul Farthing	o	(appointed 1st May 2025)
John Good	*	
Ian Haslegrave	*^	
Kristina Hedderly-Perez	o	(appointed 1st May 2025)
Maria Herczog	x	
Martina Larkin	^	Chair
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
Pete Garratt	Director of Global Programmes
Toby Bourke	Director of Global Marketing, Communications & Fundraising (until 5th September 2025)
Mark Shadrack	Chief Operating Officer and Company Secretary
Sally White	Global People Director (from 1st September 2025)

Registered Office and Principal Address: Unit 6, Wilton Village, King Street, Wilton, Wiltshire, SP2 0RS
Independent Auditor: HaysMac LLP, 10 Queen Street Place, London EC4R 1AG
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 died, one child lost a parent or primary caregiver. Vulnerability deepened among many families and communities which undermines their capability to care for and protect 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, but every child is also 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 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 Hope and Homes for Children 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 2025

The goals we set ourselves for 2025, and our progress against them:

Strategic Objective 1 – National Reform: In 2025, we aimed to 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.
- Provide psychosocial and material support in Ukraine while galvanising government action to reform child care systems and working to transform six residential institutions

Achievements

2025 Impact

More children safe in loving families. More orphanages closed.

A movement for children's right to family going global.

570+	3,590+	10	2,450
Children Back to Family	**Separations prevented**	**Orphanages Closed**	**Professionals trained**

We worked directly and indirectly with more than 70 orphanages in 2025. Overall, we did not see as many institutions closed as we intended, but we continued to transition children back to family. The reasons for the slower closure of institutions vary by country, specifically political instability in Bulgaria and Nepal, government restrictions in Romania and Moldova, delays in partnership agreements in South Africa and repositioning in Kenya after the closure of our partner organisation. However, more significant for the long-term systemic change at the heart of our mission were commitments secured to policy change – for example the national commitment to care reform in South Africa.

We exceeded our targets for prevention and training due to new projects in Romania and Ukraine, as well as to demand for increased technical support across India and Rwanda.

- In **Romania,** with Hope and Homes for Children Romania we supported the closure of 7 institutions, prevented the separation of 1,406 children from their families, and transitioned 297 children and young adults from institutions. The closures included Ion Holban institution in Iași County, Romania's largest orphanage. Through 11 years of hard work, we provided family-based care to more than 400 children and young adults.
- In **Bulgaria**, we have supported the closure of one of the last three remaining children's institutions, despite government upheavals. We supported the transition of 36 children and prevented a further 141 children from being separated from their families.

- In **Moldova**, our partner CCF prevented 107 children from family separation, and supported 88 children out of institutions. Despite the lack of a moratorium on new admission, the three remaining institutions for babies and young children saw a 34% reduction in the number of residents – the second consecutive year of significant reduction.
- Our team in **Ukraine** continue to display incredible fortitude in helping especially vulnerable children and families, dealing with trauma and keeping families together. Since the start of the war in February 2022, a total of 42,701 families with 74,287 children received assistance from Hope and Homes for Children, as we delivered emergency materials and psychosocial support and provided support to children left without parental care and families with children at risk of separation. We worked with 6 institutions to change their model, including the closure of the Kryvyi Rih institution for babies in Dnipropetrovsk, which in effect was three baby homes one. In total 121 children were supported into families, and 962 new children prevented from separation from their families or institutionalisation. We established two new Early Intervention Services in Fastiv and Rokytnianska and are nearing the operationalisation of a Centre for Children with Disabilities in Bucha.
- In **Rwanda** we successfully transitioned the last remaining 5 residents from Centre Saint Vincent in Musanze into family and community-based care and closed the institution, marking a major milestone in a three-year partnership with National Child Development Agency, National Council for People with Disabilities and Musanze District. 29 children and young adults with disabilities were transitioned from this institution during the closure timeframe. The Musanze Community Hub officially began operations in September, providing services including physiotherapy, day care and early childhood development for the community, especially children with disabilities. We directly prevented the separation of 183 children from their families and supported 160 adolescent mothers with psychosocial support, family mediation, and economic strengthening to enable emotional recovery, empowerment, and restored family relationships.
- In **South Africa**, we obtained commitment for national care reform through the adoption of the Johannesburg Care Reform Declaration which outlines a coordinated five-year plan to eliminate institutional care in South Africa. We successfully recruited an additional Active Family Support Khusela network in Mamelodi, bringing the total of networks operating in Gauteng province to eight. In total, 32 children were prevented from being separated from their families.
- In **India**, we dealt with the consequences of the withdrawal of funding by USAID in January. We signed a new 2-year Knowledge Partner Memorandum of Understanding with UNICEF, focussed on continued work in partnership with state Governments. We were delighted when the Jharkhand Cabinet approved policy guidelines which embeds care reform principles piloted through the Families First project we ran with our partner, Child In Need Institute.
- In **Nepal**, supporting our partners Forget Me Not and The Himalayan Innovative Society, we enabled the first foster care placement in Madi municipality as part of our pilot foster care programme.
- In **Kenya**, we adapted our model after the closure of our local partner expanding our small team and engaging with 13 institutions in Nakuru county, leading to 14 children being transitioned out of institutional care. We helped to establish the Nakuru County Care Reform Committee, aiming to strengthen implementation of the Care Reform Strategy at County level, and completed a comprehensive situation analysis conducted in Gilgil Sub-County to evaluate the current childcare systems.
- We shared our know-how and expertise in promoting quality interventions and systems change with **2,450 professionals** that we trained over the course of the year, more than 60% ahead of our target.
- Our new **HHC Advisory Services** proposition was launched. Our first work was supporting a partner organisation in Madagascar through technical assistance and a learning exchange in Rwanda to help their national care reform initiatives. We strongly believe that our Advisory Services model will help us share our technical know-how and experience with like-minded partners in additional country contexts globally.

Strategic Objective 2 – Human Imperative: In 2025, we aimed to:

- 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.

Achievements

2025 was a phenomenal year for our advocacy work, and Q4 reinforced that persistent, evidence-based, and partnership-driven advocacy delivers transformative change. From the halls of the UN to the sidelines of the G20 in South Africa and the districts in Bulgaria and Moldova, we advanced a consistent message: every child's right to a family is non-negotiable. 2025 was defined by successful advocacy at the highest levels of international policymaking and the strengthening of the global care reform architecture.



- **A Historic UN Launch for the Global Charter:** In September 2025, we helped launch the Global Charter on Children's Care Reform at the United Nations General Assembly. This was more than a milestone; it was a paradigm shift. To date, thirty countries have signed on, committing to dismantle orphanage economies and bring hundreds of thousands of children back to the love and protection of a family. This global political compact forms the bedrock of all subsequent advocacy.

- **A Watershed Moment in South Africa:** We helped catalyse history at the inaugural South African National Summit on Care Reform. The government made a public, unequivocal commitment to fully deinstitutionalise its childcare system by 2030. Crucially, leveraging its G20 Presidency, South Africa also committed to championing family care on the global stage and ensuring the care reform agenda will be part of the G20 initiatives that it will seek to deliver on and be held accountable for, in subsequent G20 convenings. The Minister for Social Development laid out a five-year vision for a family-centred model and mandated her department to secure the country's signature on the Global Charter.

- **UN Victory for Family-Based Care**: Sustained, targeted advocacy culminated in the UN General Assembly adopting a resolution on Early Childhood Development that explicitly recognises family-based care as being in the best interests of the child. Our briefings and direct exchanges with member state delegations were instrumental in inserting critical language that highlights the developmental harms of institutionalisation and urges states to prioritise family and community-based care. This provides a powerful new tool for advocacy worldwide.

- **African Union Milestone**: In November, we successfully supported the launch of the *African Committee of Experts' General Comment No. 10 on Children Without Parental Care*. This authoritative continental guidance, which Hope and Homes for Children helped shape through agenda-setting and budgetary support, sets a clear standard for African governments, prioritising prevention, family strengthening, and transition from institutions. The African Union's Special Rapporteur emphatically endorsed this direction at the South Africa Summit.

- **Global Charter Momentum in Europe**: Advocacy for the Global Charter gained significant traction within EU institutions. High-level meetings with European Commission Vice-Presidents, the Child Rights Coordinator, and key parliamentary figures resulted in commitments to host events and share the Charter with relevant

commissioners. Its presentation at official Council of Europe and EC network meetings further integrated it into European child rights discourse.

- **Building Momentum in Asia:** We played a pivotal role in the 2025 edition of BICON – the 6th Biennial International Conference on Alternative Care for Children in Asia, providing a platform for the recommendations of a diverse group of care-experienced young people as experts to impact care reform for children in Asia, and showcasing and strengthening understanding of the Asian perspectives on care reform and child welfare issues.

- **Catalysing Commitments at the World Social Summit**: Our official side event, '*Catalysing Social Development through Care Reform*,' was a standout success, attracting at least 200 participants. The event directly preceded Malawi signalling its intention to endorse the Global Charter, demonstrating the immediate impact of strategic advocacy platforms. The Summit's resulting Doha Declaration echoed our advocated language on the central role of the family.

- **Shaping the Future Global Agenda**: At the World Social Summit in Qatar, we, in collaboration with the UK Government, successfully pushed childcare reform into early conversations on the next cycle of global development goals. This strategic move aims to ensure that family strengthening and ending institutionalisation are firmly embedded in the world's primary development agenda post-2030.

Strategic Objective 3 - Financing: In 2025, we aimed to:

- 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.

Achievements

- We continued to actively engage with external opportunities at the national and regional governmental level to secure commitments to the Care Reform Global Charter and explore opportunities to influence the narrative and positions on investing in care reform, policy and national level systems change.
- We finalised and disseminated our comprehensive position on the next EU Multiannual Financial Framework, submitting contributions to the EC consultation and advocating for the prioritisation of family-based care in both internal and external EU funding.
- The inclusion of care reform language in the 2025 Ukraine and Moldova European Commission Enlargement Reports, to which we contributed, increases the likelihood of financial support for care reform as part of the accession process.
- We convened a roundtable Moldova at the British Embassy that yielded three concrete fiscal recommendations for the Minister of Finance and advanced Moldova's national commitment to the Global Charter.
- We played a significant thought leadership role in devising the concept for a new innovative financing mechanism on care reform – the Partnership Investment Platform – and obtained confirmation from the Minister of Children and Families in Paraguay on their intention to be the first pilot country.

Accountability to Children

In 2025, more than sixty young people from Our Voices Matter met face to face at two youth summits in Sofia and Kigali. Out of their discussions we developed together the OVM Charter which outlines the pledges from all stakeholders to work with the young people to realise our commitment to being an accountable organisation.

Alongside these developments our Radical Accountability Knowledge Transfer Partnership with the University of Leeds also made great strides to co-develop an understanding of accountability from the perspective of children and young people. By engaging UK and country teams, senior leadership, and OVM to share learning, advance an accountability evaluation framework, and develop a set of tools to help Hope and Homes for Children and other organisations embed accountability to children and young people.

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. By the end of 2025, we have that down to 508 children in 22 remaining institutions. We have just a few hundred children left to transition in Rwanda, 900 in Moldova and only two institutions left to close In Bulgaria. Our approach works.
- We have secured clear commitment to national reform in South Africa, and are building towards similar commitments in India, Nepal, 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.

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.

PLANS FOR FUTURE PERIODS

Our overarching objective is to continue to drive our 'Alive with Hope' strategy through the development and implementation of catalytic programming and advocacy, with initiatives that create transformative outcomes towards the global elimination of institutional care of children.

Strategic Objective 1: National Reform

Close 12 institutions, transition 596 children back to family care and prevent 5,892 children from being separated from their families.

In countries **where we are operational**, we will:

- make significant strides to complete the journey to elimination and to reach the point of no return (each country will have a clear picture of what success looks like and a timeframe to move there)
- maintain quality, while being smart with resources – achieving the biggest impact with what we have
- ensure structures and approaches are 'fit for the future' of Hope and Homes for Children in each context
- seek innovation and partnership – adapting to changing contexts and appreciating that the approaches that have brought us success may need further refining
- ensure that our prevention work is directly focused on reducing the institutionalization of children

Specifically, our aims are:

- In **Bulgaria** – actively supporting the government to close and transition the last two institutions (homes for medical and social care for children), while identifying options for the many children in permanent medical care small group homes and homes for children without disabilities who do not need to be there and improving the provision of foster care for children with disabilities
- In **Moldova** – securing a moratorium on institutionalisation, reducing the number of children in three institutions for babies, strengthening foster care for children with disabilities and increasing the access to social services for care-leavers with disabilities
- In **Romania** - supporting state authorities to implement deinstitutionalisation, prevention, reintegration and supported independent living programmes in 15 counties with 2 institutions closed and transitioned
- In **Rwanda** – transitioning children and young adults with disabilities from institutions to family care, closing 2 institutions, setting up a new inclusive Community Hub and working through community development networks to prevent further vulnerable children and youth, including those with disabilities, from being separated from their families through institutionalisation.

- In **South Africa** – now with national government commitment, roll-out of the Deinstitutionalisation Implementation Plan across the provinces of Gauteng, Eastern Cape, Western Cape, North-West, KwaZulu-Natal, Limpopo by providing technical advisory and knowledge partner support to government and NGO partners
- In **Ukraine** – providing psychosocial and material support to children and their families in crisis and suffering from trauma; managing the cases of especially vulnerable families to ensure the prevention of separation; assisting with the identification of alternative family care for children at risk of being institutionalised; supporting specialist foster carers to care for children with disabilities; working to transform six residential institutions; galvanising government action together with others to reform child care systems and modelling inclusive disability-focused early intervention children's community services in Kyiv Oblast

For countries **where we principally partner with others**, and recognising that partnership models are the future of Hope and Homes for Children, we will:

- keep learning how to bring about systems change and how to demonstrate the impact of our work
- seek to support the scaling up of national and local systems change
- exercise humility and genuine peer partnership in our relationships, continually seeking to listen and learn
- share our know how expertise in promoting quality interventions and systems change
- further assess opportunities to support partners in organizational development - including supporting partners to win funding directly

Specifically, we will:

- In **India** – continue to collaborate with UNICEF and IACN, moving into new states to develop political will across targeted states; provide technical know-how, especially building on experience in care reform in Jharkhand; and share knowledge, especially in inclusion with a focus on disabilities
- In **Kenya** – provide bespoke training and technical support in the demonstration of care reform and transformation in Nakuru County and in Kisii County in partnership with VCE and related child care institutions
- In **Nepal** – supporting our partners (THIS and Shine Together) to provide case management, continued advocacy for care reform, piloting foster care, while also working to secure additional funding to scale up impact

And we will provide technical support through our **HHC Advisory Services** model to at least two countries from our 20-country shortlist, including scoping in Sri Lanka, Thailand, Paraguay and Argentina, while being available to share low level technical know-how with partners in other contexts on a capacity-allowing basis.

Strategic Objective 2: Human Imperative

- **Secure concrete national care reform commitments and action plans in at least 5 priority countries, using regional leverage:**
    - 10 African Union Member States endorse Global Charter on Care Reform
    - South Africa develops a costed action plan
    - EU Multiannual Financial Framework Mid-Term Review documents support family-based care as a priority
    - CHOGM 2026 Outcome Document includes strong, actionable commitment on care reform.
- **Solidify Hope and Homes for Children's position as the leading voice on care reform by amplifying the Charter and integrating youth and child participation:**
    - Charter Implementation Toolkit launched and actively used in at least 10 countries
    - Link to Multiannual Financial Framework and EU progress on Care Reform established, with renewed engagement across EU
    - 10 trained youth advocates actively participate in at least 3 high-level policy dialogues
    - Position paper on post-2030 Agenda is formally submitted to UN processes, with a standalone indicator on family care.
- **Maximise impact through strategic collaboration and powerful narrative-shifting.** Develop a Moomin advocacy & influencing partnership; conduct a formal review of all major partnerships and shift to a more selective, outcome-focused engagement model where Hope and Homes for Children leads; publish a series of evidence-based briefs and thought leadership pieces; develop messaging on the Hope and Homes for Children approach to care reform and disseminate widely to governments and donors.

Strategic Objective 3: Financing

- **Leverage the UK Parliamentary Task Force** to influence faith-based organisations and churches in the UK as well as other government departments to adopt policies that cease funding for institutions and redirect aid to family-based care.
- **Activate British High Commissioners:** Develop bespoke advocacy packages for the International Network of British High Commissioners, equipping them to advocate for national care reform and financing in their host countries.
- **Advance the Innovative Financing Concept:** Deepen strategic partnerships to move the concept of an innovative financing mechanism from exploration to a concrete design phase.
- **Influence EU Funding:** Develop targeted advocacy to influence the next Multiannual Financial Framework and ensure the EU global funding instrument is leveraged for care reform in key partner countries.
- **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

2025 was an exceptionally challenging year for international development fundraising, with dramatic reductions in overseas aid and the complete dismantling of the United States Agency for International Development. This led directly to the loss of around half a million pounds of contracted and anticipated income each year for the next four years. The knock-on effect of heightened competition for grant funding across the sector had a further adverse impact on income from trusts and foundations. Some of our incremental fundraising investment was not as effective as we would have liked, but we showed resilience and adapted well in such a difficult environment.

We are proud of several successes in 2025. These include continued strong results from 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. Using this communication and associated investment, we attracted more than 2,000 new donors from across the world. Having been selected as one of the three charities supported by The Times and The Sunday Times Christmas Appeal 2024 (an appeal which continued into the early months of 2025), we then ran a very successful UK Aid Match campaign, which raised in excess of £1.5m.

In the UK, building on our strong base of relationship fundraising, 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 6,283 individuals in 2025, an increase of 47% compared to the previous year.

Despite the current financial reality, we also have some incredible opportunities in front of us, including:

- The strength and quality of our programmatic base and advocacy with which we can engage and convert donors.
- The Global Charter for Care Reform and the associated campaign bringing increased visibility and momentum to our mission.
- Our new, multi-year partnership with Moomin. This presents a multitude of opportunities in public engagement (e.g. appeals, licensing, events), corporates (e.g. Moomin suppliers and licensors) and philanthropy.
- We have proof that our Back To Family proposition brings new support and can be used to convert that support to income.
- The size and quality of our major donor prospect funnel, which is stronger than it has ever been

Our primary goal remains to build a more resilient and sustainable income portfolio with a stronger return on investment, 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. Within this, our priorities are:

- **Converting Pipeline to Income:** Building the systems, processes, behaviours and culture which drive improved working practices around prospecting, pipeline development, making asks and conversion.
- **Visibility, Credibility and Engagement:** Launching our 'children affected by conflict' campaign and using that across all of our market-facing fundraising to drive credibility, awareness, engagement and income.
- **Events & Interactions:** Delivering a calendar of events and donor interactions which provides fantastic touchpoints with supporters and drives our income plan.

- **Partnerships and Networks:** Creating a highly impactful multi-year partnership with Moomin, with a clear roadmap to drive income and awareness, and initial wins in 2026.
- **Data & Information:** Making our CRM the 'one source of the truth' for fundraising data, and mining that data to generate insights which enhance our prospecting and returns. Improving the robustness and reliability of the validation and valuation of our pipeline and forecast.

Fundraising Standards

Our fundraising complied with the fundraising codes as prescribed by the Fundraising Regulator, of which we remain a registered member. Our fundraising activity in 2025 spanned individual and regular giving, corporate partnerships, trusts and foundations, fundraising events and legacies, together with a small amount trading income, including primary purpose trading through HHC Advisory Services.

We did not undertake any face-to-face fundraising in 2025. We ran a direct response television (DRTV) campaign which included a telemarketing element carried out on our behalf by a professional fundraiser under a written agreement. This required the fundraiser to comply with the Fundraising Regulator's Code of Fundraising Practice, UK GDPR, PECR and data protection legislation. We monitored this activity through agreed service levels and KPIs (including answer rate, contact rate and conversion rate), daily and weekly performance reporting, quarterly review meetings, call recordings for quality control, and audit rights over the supplier's records. We are not aware of any failure by HHC or by anyone acting on our behalf to comply with the Code of Fundraising Practice in 2025.

We also entered into a commercial participator arrangement during the year, under which HHC is due to receive a share of the partner's annual profits. No income was received or accrued under this arrangement in 2025. The agreement includes rights for HHC to verify any future donation calculations.

We continued to prioritise the strengthening of our practices related to data protection laws, particularly the UK General Data Protection Regulation. We received three 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 106 complaints in 2025 (a significant increase compared to 16 in 2024). This is linked to the significant number of new donors in 2025, with the majority of complaints from new supporters who had mistakenly signed up to make a regular donation rather than a one-off gift. These were appropriately refunded, and we have adapted our communication materials to make the distinction between these two types of gifts even clearer. 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.	Continue to build public awareness of, and support for, child care reform through communications activities centred on our Back to Family messaging. Continue to build connections and champions with different parties and structures, including securing government commitments to both reform and the funding of reform. Use our Roadmap to make the case for relevance of care reform in different topics, including links to the Sustainable Development Goals. 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. Strengthen capacity across our country teams to drive national advocacy priorities.
Gaps in capacity and capability leading to inability to fully execute the strategy and business plan.	Continue to evolve our approach to wellbeing, leveraging our internal support network and continuing to deploy mental health awareness training. 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. Develop our approach to leadership, performance and individual mandate so that all of our team members can thrive. Succession plans for key roles reviewed by our People Committee.
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.	Continue to invest in donor and income acquisition, based on an approach of (i) owing 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.
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.	Recover the drop in free liquidity in 2025 through a strong start to 2026, and maintain our medium-term plan to build towards target levels to provide greater resilience. 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.
Staff burn-out	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. Prioritise organisational workload and make clear, choices which are strategically aligned and manageable within capacity. Where possible, invest selectively in additional resilience and capacity
Death or serious injury to a staff member due to a security issue	Continue to operate security protocols in high-risk geographies. Embed our cross-organisational security principles and practices.
Child protection incident directly involving a member of staff or a partner.	Roll-out and embed updated safeguarding policy in each country programme, including cultural aspects and reporting. Strengthen independence and sustainability of Our Voices Matter

Key Risk	Outline of Mitigation Plan
Financial fraud, corruption or bribery or material financial mismanagement	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: • Financial processes • Deployment and use of IT, including cybersecurity action. Assess areas where investment in our people, processes and systems should be prioritised to enhance internal capacity and capability and acting on these recommendations.
Theft / leakage of personal data or large-scale loss of access to supporter data	Continue to embed Data Protection and cyber security 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.

Management

The Board has delegated the day-to-day management of the organisation to the Senior Management Team, comprising the Chief Executive, Director of Global Programmes, Director of Global Advocacy, Director of Global Marketing, Communications and Fundraising, Global People Director 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 Ukraine, South Africa, Kenya and Hong Kong.

- 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 2025 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 2024 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 2024. Hope and Homes for Children is the sole member of the company, and therefore its financial results are consolidated.

Hope and Homes for Children has an associate in Romania. 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. Hope and Homes for Children holds three of the seven seats on its Board of Directors, and accordingly has significant influence over Hope and Homes for Children Romania.

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.

Key Financial Summary

£m	2025	2024 (Restated)
Income	8.0	8.7
Expenditure	8.9	9.0
Net (expenditure)/income	**(0.9)**	**(0.3)**
Non-cash items and working capital movements	-	0.3
Net cash supplied by / (used in) operating activities	**(0.9)**	**-**
Cash flows from investing & financing activities	(0.1)	(0.1)
Change in cash and cash equivalents in the year	**(1.1)**	**(0.1)**
Cash and cash equivalents at the start of the year	2.2	2.3
Cash and cash equivalents at the end of the year	**1.1**	**2.2**
Total Closing Funds	**0.3**	**1.2**
Unrestricted Funds	(0.6)	(0.1)
Restricted Funds	0.9	1.3
pm Free Liquidity	*0.3*	*0.9*

Income

Total income in 2025 was £8.0m, a decrease of £0.7m compared to 2024.

- Income raised by our Ukrainian subsidiaries increased by £0.4m to £1.2m, with UNICEF, Save The Children and the UK Foreign and Commonwealth Development Office all providing vital funds.
- Elsewhere, 2025 was an exceptionally challenging year for international development fundraising, and, despite increased fundraising investment, income raised in the parent charity (mainly through the UK) fell by £1.1m. Dramatic reductions in overseas aid and the complete dismantling of the United States Agency for International Development led directly to the loss of around half a million pounds of contracted and anticipated income each year for the next four years. The knock-on effect of heightened competition for grant funding across the sector had a further adverse impact on income from trusts and foundations, which in aggregate fell by £1m.

Expenditure

Expenditure of £8.9m was £0.1m lower than in the previous year. Expenditure in programmes was broadly maintained, with two notably exceptions, in India and Ukraine, both of which were impacted by the loss of USAID funding. Investment in our India programme was cut by more than 50% after the cancellation of our 5-year consortium grant from USAID; and investment in Ukraine dropped by £0.5m, having completed the investment of regional response appeal funds in 2024.

Investment in raising funds increased by £0.6m, mainly in the parent charity as we continued to communicate our Back to Family proposition and invested in our broader fundraising capabilities. In the tough fundraising environment, the returns from this investment were disappointing, and we have adapted our plans for 2026 accordingly.

Operational Result

The resulting operational deficit was £0.9m. After fund transfers and exchange rate impacts, the impact on unrestricted funds was a reduction of £0.5m.

Cash

Operational expenditure included only small non-cash items. Our in-year cash outflow from operating activities was therefore £0.9m. We continued planned repayments on our UBS programme-related investment loan, which is fully repayable by 2030. Net cash outflow in 2025 was therefore (£1.1m), leading to a closing cash position of £1.1m.

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 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 2025, free reserves remained positive, but fell to £56k, and free liquidity was positive at £0.3m. Unrestricted funds of (£0.6m) include the (£0.9m) balance of a programme-related investment loan from UBS Optimus Foundation, which is repayable in instalments by 2033. Those repayments will be met from future surpluses.

To address this weaker financial position, at the end of 2025 we made a number of significant changes to reduce our cost base, notably in the parent charity. These changes, which reduce annual expenditure in the parent charity by £1.6m (20%) were completed by the end of February. We have also agreed a restructuring of our outstanding loan from the UBS

Optimus Foundation (see Note 22) which, had it been in place before the end of 2025, would have increased the level of free reserves by £144k to £200k. These changes are designed to enable the charity, at current income levels, to deliver an operational surplus in each of the next few years in order to rebuild reserves towards our target range and repay our loan commitments.

We also made a strong start to raising funds in 2026, with more than £2m raised in the UK in the first quarter. Our future plans balance the heightened 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:

- 2025 was an exceptionally challenging year for international development fundraising. The dismantling of USAID resulted in the loss of around £500k of contracted and anticipated income each year for the next four years, and heightened competition for grant funding meant income from trusts and foundations fell by £1m. We grew income in Hope and Homes for Children Ukraine, thanks to vital support from UNICEF, Save the Children and the UK Foreign, Commonwealth and Development Office. The fall in overall income meant we drew on unrestricted reserves more heavily than planned. In response, we made a number of significant changes at the end of 2025, completed by the end of February 2026, which reduce annual expenditure in the parent charity by £1.6m (20%).
- While the closing unrestricted reserves are reported as (£627k), this includes the (£938k) remaining balance on our Programme-Related Investment loan from the UBS Optimus Foundation. This was repayable in instalments by 2030, with £144k due to be repaid in 2026. Since the balance sheet date, we have agreed a restructuring of this loan which extends the repayment period to 2033 and replaces the fixed repayment schedule with a contingent repayment mechanism linked to the charity's financial position. Had the loan been restructured before the end of 2025, would have increased the level of free reserves at 31st December 2025 from £56k to £200k.
- Together, these changes are designed to enable the charity, at current income levels, to deliver an operational surplus in each of the next few years, rebuilding reserves towards our target range and meeting our loan repayment commitments.
- We have made a strong start to fundraising in 2026, with more than £2m raised in the UK in the first quarter. We have a strong basis for medium-term recovery: our 'Back to Family' proposition has been proven to bring in new support and convert that support to income; the Global Charter for Care Reform is bringing increased visibility and momentum to our mission; our new multi-year partnership with the Moomin brand presents opportunities across public engagement, corporate partnerships and philanthropy; and the size and quality of our major donor prospect funnel is stronger than it has ever been, including recent multi-year pledges.
- We continue to operate timely cash management and working capital controls to manage the potential risks around the timing and value of income and to ensure restricted and unrestricted assets and reserves are appropriately managed. Forecasting is owned at team level, with risk ratings and discount factors applied to unsecured income, reviewed monthly by the Senior Management Team and quarterly by the Finance, Audit and Risk Committee.
- Stress-testing of our forecast through to the end of 2027 has been undertaken under both a base scenario and an alternative scenario. This indicates a sufficient degree of contingency and adaptability to changing circumstances.

Considering all of the above, the Trustees consider that Hope and Homes for Children has adequate resources to continue operating successfully for the foreseeable future and that there are no material uncertainties in relation to going concern. Therefore the Trustees consider that it is appropriate to continue to adopt the going concern basis in preparing the annual report and the financial statements.

Hope and Homes for Children Romania

Following a review of our accounting treatment, we have concluded that Hope and Homes for Children Romania should be accounted for as an associate rather than consolidated as a subsidiary. This reflects the governance structure which has been in place for several years. It does not affect Hope and Homes for Children's operations or its relationship with Hope and Homes for Children Romania, which continues to work closely as part of our family of organisations in pursuit of our

shared mission. The practical effect is that Hope and Homes for Children Romania's income, expenditure, assets and liabilities are no longer included in the consolidated financial statements (see Note 22).

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 27th July 2026 and signed on their behalf by:

R D Parmar

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 2025 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 groups and the charitable company's affairs as at 31 December 2025 and of the group's net movement in funds, including the 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. 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.

In connection with our audit of the financial statements, 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 group and charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report (which incorporates the strategic report and the directors' 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 for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 23, 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 consolidated financial statements, the trustees are responsible for assessing the group and 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 group or 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the requirements of the Charity Commission, the Companies Act 2006, and compliance with overseas laws and regulations in the jurisdictions the group operates in, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate

journal entries and management bias in certain accounting estimates and judgements such as the income recognition policy applied to grant income. Audit procedures performed by the engagement team included:

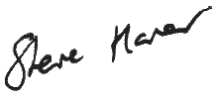
- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions;
- Challenging assumptions and judgements made by management in their critical accounting estimates, including review of how grant income has been recognised at the year end.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

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.



Steve Harper (Senior Statutory Auditor)

Date: 29th July 2026

For and on behalf of HaysMac LLP,
Statutory Auditors
10 Queen Street Place
London
EC4R 1AG

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(incorporating an income and expenditure account) for the year ended 31 December 2025

	Notes	Unrestricted	Restricted	2025 Total	Unrestricted (Restated)	Restricted (Restated)	2024 Total (Restated)
		£000s	£000s	£000s	£000s	£000s	£000s
Income from:							
Donations and legacies	3	2,919	3,911	**6,830**	2,753	5,079	**7,832**
Charitable activities		12	1	**13**	-	-	**-**
Other trading activities		1,076	51	**1,127**	759	48	**807**
Investment income		37	-	**37**	46	-	**46**
Other income		1	-	**1**	8	20	**28**
Total income		**4,045**	**3,963**	**8,008**	**3,566**	**5,147**	**8,713**
Expenditure on:							
Raising funds	5	2,273	664	**2,937**	1,950	426	**2,376**
Charitable activities	5	2,261	3,709	**5,970**	2,307	4,380	**6,687**
Total expenditure		**4,534**	**4,373**	**8,907**	**4,257**	**4,806**	**9,063**
Net (expenditure)		(490)	(409)	**(899)**	(691)	341	**(350)**
Transfers		-	-	**-**	217	(217)	**-**
Other recognised gains / (losses)		(8)	(53)	**(61)**	(10)	(55)	**(65)**
Net movement in funds		**(498)**	**(462)**	**(960)**	**(484)**	**69**	**(415)**
Reconciliation of funds:							
Total funds brought forward	16	(129)	1,363	**1,234**	355	1,294	**1,649**
Total funds carried forward	**16**	**(627)**	**901**	**274**	**(129)**	**1,363**	**1,234**

All of the above results derive from continuing activities. There were no other recognised gains or losses other than those stated above. The notes on pages 30 to 49 form part of these financial statements.

BALANCE SHEETS

as at 31 December 2025

Registered Company Number: 04193179

	Notes	Group		Charity	
		2025	2024 (Restated)	**2025**	2024
		£000s	£000s	**£000s**	£000s
Fixed assets:					
Tangible fixed assets	12	**110**	142	**8**	16
Current assets:					
Stocks		**49**	26	**8**	11
Debtors and prepayments	13	**221**	467	**184**	457
Short-term bank deposits and cash resources	14	**1,064**	2,154	**728**	1,993
		1,334	2,647	**920**	2,461
Liabilities:					
Creditors: amounts falling due within one year	15a	**376**	617	**360**	617
Net current assets		**958**	2,030	**560**	1,844
Creditors: amounts falling due after more than one year	15b	**794**	938	**794**	938
Net assets		**274**	1,234	**(226)**	922
Funds:					
Restricted funds	16/17	**901**	1,363	**521**	1,235
Unrestricted funds	16/17	**(627)**	(129)	**(747)**	(313)
Total funds		**274**	1,234	**(226)**	922

The notes on pages 30 to 49 form part of these financial statements.

The parent charity made a deficit in the year of £1,148k (2024: deficit of £227k).

The financial statements on pages 27 to 29 were approved and authorised for issue by the Board of Trustees on 27th July 2026.

Signed on behalf of the Board of Trustees by:

R D Parmar

Ramesh Parmar
Trustee and Treasurer

Martina Larkin
Trustee and Chair

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2025

	Notes	**2025**	2024 (Restated)
		£000s	£000s
Cash flows from operating activities:			
Net cash provided by/(used in) operating activities	19	**(909)**	39
Cash flows from investing activities:			
Interest received		**36**	46
Purchase of fixed assets		**(20)**	(47)
Net cash (used in) investing activity		**16**	(1)
Cash flows from financing activities:			
Cash outflows from loans		**(144)**	(108)
Net cash (used in) financing activity		**(144)**	(108)
Change in cash and cash equivalents in the year		**(1,037)**	(70)
Cash and cash equivalents at the start of the year		**2,154**	2,280
Change in cash and cash equivalents due to exchange rate movements		**(53)**	(56)
Cash and cash equivalents at the end of the year		**1,064**	2,154

The notes on pages 30 to 49 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

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 12 members. Per our Articles of Association, the Objects of the Charity are for the public benefit the relief of need and suffering of children worldwide (without discrimination) by, in particular but not limited to, the provision of sustainable family-based and family-like care alternatives.

Registered and principal office

The registered and principal office of Hope and Homes for Children is Unit 6, Wilton Village, King Street, Wilton, Wiltshire, 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 (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. 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.

Investment in Associates

Associates are entities over which HHC UK has significant influence but not control, generally evidenced by a holding of between 20% and 50% of the voting power. Significant influence is the power to participate in the financial and operating policy decisions of the entity.

Investments in associates are accounted for using the equity method in the consolidated financial statements. Under the equity method, the investment is initially recognised at cost and subsequently adjusted for HHC UK's share of the associate's post-acquisition profit or loss and other changes in net assets. Where the associate is a charity, the share of net assets is determined by reference to any formal constitutional provision identifying the basis for measurement, in preference to the proportion of voting rights. Where HHC UK's share of losses exceeds the carrying value of the investment, the carrying value is reduced to nil and further losses are not recognised unless HHC UK has incurred obligations on behalf of the associate.

Where the carrying value of an investment in a charitable associate is nil because HHC UK holds no entitlement to the associate's net assets on dissolution, no share of the associate's results is recognised in the consolidated statement of financial activities. The investment is presented as a programme related investment within fixed asset investments.

Hope and Homes for Children Romania, a Romanian non-governmental foundation, is classified as an associate of Hope and Homes for Children. No share of Hope and Homes for Children Romania's results is recognised (see Note 2)

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:

- 2025 was an exceptionally challenging year for international development fundraising. The dismantling of USAID resulted in the loss of around £500k of contracted and anticipated income each year for the next four years, and heightened competition for grant funding meant income from trusts and foundations fell by £1m. We grew income in Hope and Homes for Children Ukraine, thanks to vital support from UNICEF, Save the Children and the UK Foreign, Commonwealth and Development Office. The fall in overall income meant we drew on unrestricted reserves more heavily than planned.
- In response, we made a number of significant changes at the end of 2025, completed by the end of February 2026, which reduce annual expenditure in the parent charity by £1.6m (20%).
- While the closing unrestricted reserves are reported as (£627k), this includes the (£938k) remaining balance on our Programme-Related Investment loan from the UBS Optimus Foundation. This was repayable in instalments by 2030, with £144k due to be repaid in 2026. Since the balance sheet date, we have agreed a restructuring of this loan which extends the repayment period to 2033 and replaces the fixed repayment schedule with a contingent repayment mechanism linked to the charity's financial position. Had the loan been restructured before the end of 2025, would have increased the level of free reserves at 31st December 2025 from £56k to £200k.
- Together, these changes are designed to enable the charity, at current income levels, to deliver an operational surplus in each of the next few years, rebuilding reserves towards our target range and meeting our loan repayment commitments.
- We have made a strong start to fundraising in 2026, with more than £2m raised in the UK in the first quarter. We have a strong basis for medium-term recovery: our 'Back to Family' proposition has been proven to bring in new support and convert that support to income; the Global Charter for Care Reform is bringing increased visibility and momentum to our mission; our new multi-year partnership with the Moomin brand presents opportunities across public engagement, corporate partnerships and philanthropy; and the size and quality of our major donor prospect funnel is stronger than it has ever been, including recent multi-year pledges.
- We continue to operate timely cash management and working capital controls to manage the potential risks around the timing and value of income and to ensure restricted and unrestricted assets and reserves are appropriately managed. Forecasting is owned at team level, with risk ratings and discount factors applied to unsecured income, reviewed monthly by the Senior Management Team and quarterly by the Finance, Audit and Risk Committee.
- Stress-testing of our forecast through to the end of 2027 has been undertaken under both a base scenario and an alternative scenario. This indicates a sufficient degree of contingency and adaptability to changing circumstances.

Considering all of the above, the Trustees consider that Hope and Homes for Children has adequate resources to continue operating successfully for the foreseeable future and that there are no material uncertainties in relation to going concern. Therefore the Trustees consider that it is appropriate to 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 where payment is triggered by the delivery of specific outputs 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.

Donations from a Family Trust or Foundation that effectively acts as a vehicle for an individual's personal giving is classified as income from an individual.

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.

The charity's investments comprise cash held on deposit. Interest receivable is recognised on an accruals basis in the period to which it relates.

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.

Expenditure is classified under the following activity headings:

- Raising Funds: This represents expenditure incurred in attracting funding and the costs of disseminating information about charitable activity.
- Charitable Activities: This 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 on a straight line basis over the term of the lease.

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 and with an expected useful economic life of more than one year are capitalised at cost. Items below this threshold are written off to expenditure in the year of purchase. Vehicles and equipment used in overseas branches are not capitalised but charged in full to the SOFA when purchased.

Capitalised assets are depreciated on a straight-line basis over their expected useful economic lives as follows:

Land	n/a
Property for functional use	20 years
Homes and services for children and families	20 years
Motor vehicles	4 to 7 years
Office and computer equipment	3 to 7 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Ownership of homes and services for children and families that we support 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.

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, 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 & VAT

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. 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. Critical Accounting Judgements

In preparing these financial statements, the trustees have made the following critical accounting judgements that have a material effect on the amounts recognised.

Classification of HHC Romania

The trustees have exercised significant judgement in determining the appropriate accounting treatment of Hope and Homes for Children Romania, a Romanian non-governmental foundation whose purposes are concurrent with those of Hope and Homes for Children.

Control. The trustees have concluded that Hope and Homes for Children does not control Hope and Homes for Children Romania within the meaning of FRS 102. Hope and Homes for Children holds three of the seven seats on Hope and Homes for Children Romania's Board of Directors, does not hold a majority of voting rights, and has no agreement, statutory right, or power of appointment conferring a majority. Hope and Homes for Children Romania is not managed on a unified basis with Hope and Homes for Children. It operates independent financial and operational systems, and Hope and Homes for Children holds no approval or veto rights over Hope and Homes for Children Romania's material decisions.

Significant influence. Notwithstanding the absence of control, the trustees have concluded that Hope and Homes for Children does exercise significant influence over Hope and Homes for Children Romania, by virtue of its three board seats (approximately 43% of board representation), its ongoing involvement in Hope and Homes for Children Romania's governance, and the concurrent nature of their purposes. Hope and Homes for Children Romania is accordingly classified as an associate and equity-accounted.

Carrying value of the associate. The trustees have concluded that the carrying value of the investment in Hope and Homes for Children Romania Foundation is nil, on the basis that Hope and Homes for Children holds no entitlement to Hope and Homes for Children Romania's net assets on dissolution, the initial founding contribution of USD 10,000 is fully impaired, and no share of Hope and Homes for Children Romania's results is recognised.

3. DONATIONS AND LEGACIES

	Unrestricted	Restricted	2025 Total	Unrestricted (Restated)	Restricted (Restated)	2024 Total (Restated)
	£000s	**£000s**	**£000s**	£000s	£000s	£000s
Individuals	2,153	79	2,232	1,460	535	1,995
Corporate donors	96	350	446	438	433	871
Charitable trusts and foundations	446	1,918	2,364	284	3,049	3,333
Institutional Funders & other NGOs	-	1,564	1,564	-	1,062	1,062
Legacies	224	-	224	571	-	571
Total	2,919	3,911	6,830	2,753	5,079	7,832

4. LEGACY PIPELINE

Legacy notifications worth £75k to the charity did not meet the recognition criteria and hence have not been accounted for within these f

inancial statements (2024: £30k).

5. ANALYSIS OF EXPENDITURE

	Staff Costs	Other direct costs	Grants payable	Allocated support Costs	2025	2024 (Restated)
	£000s	**£000s**	**£000s**	**£000s**	**£000s**	£000s
Costs of raising funds	1,516	1,122	0	299	**2,937**	2,376
Charitable expenditure						
Global Advocacy	240	196	-	49	**485**	578
Asia Advocacy	3	33	-	4	**40**	-
Rwanda	370	374	52	90	**886**	817
South Africa	230	191	-	48	**469**	458
Uganda	3	1	36	5	**45**	2
Kenya	80	33	-	13	**126**	42
Bulgaria	359	172	-	60	**591**	481
Moldova	31	7	383	48	**469**	486
Romania	31	9	369	44	**453**	861
Ukraine	1,220	575	-	204	**1,999**	2,326
India	130	4	13	17	**164**	342
Nepal	71	6	141	25	**243**	294
Total charitable expenditure	**2,768**	**1,601**	**994**	**607**	**5,970**	6,687
Total	**4,284**	**2,723**	**994**	**906**	**8,907**	9,063

Staff costs totalling £508k (2024: £545k) are included in allocated support costs.

6. ANALYSIS OF SUPPORT COSTS

	2025	2024 (Restated)
	£000s	£000s
Directorate	**220**	203
Governance	**94**	104
Facilities management	**148**	240
Financial management	**257**	218
Information technology	**69**	79
Human resources	**118**	179
Total	**906**	1,023

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:

	2025	2024 (Restated)
	£000s	£000s
Copil Communitate Familie, Moldova	**383**	414
Hope and Homes for Children, Romania	**369**	483
Child In Need Institute, India	**13**	51
Forget Me Not, Australia	**141**	147
Ubumwe Community Centre, Rwanda	**35**	55
Wikwiheba Mwana, Rwanda	**17**	21
Child's i Foundation, Uganda	**36**	-
Total	**994**	1,171

8. NET INCOME

Net income is stated after charging:

	2025	2024 (Restated)
	£000s	£000s
Depreciation of fixed assets	**44**	44
Movement on exchange rate	**40**	3
Interest payable	**-**	-
Property rental	**105**	85
Auditor's remuneration – statutory audit	**31**	43
Auditor's remuneration – other services	**-**	5

9. TRUSTEES' REMUNERATION AND RELATED PARTY TRANSACTIONS

The trustees were not remunerated during the current or preceding financial years. Reimbursements totalling £70 were made to 1 trustee for expenses related to travel (2024: £270, 3 trustees). Aggregate donations received from trustees during the year were £1k (2024: £2k). No other benefits were awarded to Trustees during the financial year. No balances were outstanding with related parties at the balance sheet date (2024: £nil).

Aggregate transactions with the subsidiary undertakings were:

	2025	2024 (Restated)
	£000s	£000s
Funds remitted to:		
Hope and Housing for Children Ukraine	**269**	1,002
Hope and Homes for Children Ukraine	**456**	5
Hope and Homes for Children Kenya	**169**	10
One Child One Family, HHCSA	**332**	412
Hope and Homes for Children Asia	**47**	-

Aggregate transactions with associates were:

	2025	2024
	£000s	£000s
Funds remitted to:		
Hope and Homes for Children Romania	**442**	581

Of the total funds remitted to Hope and Homes for Children Romania, £368k (2024: £483k) were grants made by Hope and Homes for Children in support of Hope and Homes for Children Romania's child welfare and deinstitutionalisation programmes. £74k (2024: £98k) represents reimbursement for costs incurred in Romania in connection with shared services hosted by Hope and Homes for Children Romania.

10. STAFF COSTS AND NUMBERS

	2025	2024 (Restated)
	£000s	£000s
The costs of employing the UK contracted staff were:		
Salaries	**2,013**	1,953
National insurance	**242**	212
Pension scheme	**131**	90
	2,386	2,255
The costs of employing overseas staff on local contracts were:		
Salaries and local taxes	**2,406**	2,353
	4,792	4,608

	2025	2024
	No.	No.
The average number of contracted staff during the year was:		
In the UK	**48**	47
Overseas	**152**	144
	200	191

The total employee remuneration of the Senior Management Team (which increased in number during the year from 5 to 6 roles) was £605k (2024: £561k).

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

	2025	2024 (Restated)
	No	No
£60,000-£69,999	**2**	3
£70,000-£79,999	**2**	1
£80,000-£89,999	**-**	-
£90,000-£99,999	**-**	1
£100,000-£109,999	**3**	1
£110,000-£119,999	**-**	1
£120,000-£129,999	**1**	1

Termination payments were made or accrued as compensation for loss of employment totalling £71k (2024: £10k) in accordance with organisational policy and the legal requirements of the countries in which the individuals work

11. PENSION SCHEME

For employees based in the UK, the charity contributes up to 6% of members' salaries towards a defined contribution pension scheme, which is administered on its behalf by Aviva. At the year-end there were outstanding contributions of £nil (2024: £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 £nil (2024: £1k).

For employees based in Kenya, the charity contributes 5% of members' salaries towards a defined contribution pension scheme of their choice. At the year-end there were outstanding contributions of £nil (2024: £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 2025 (Restated)	21	108	21	132	282
Additions	-	-	4	16	20
Disposals	-	-	-	(22)	(22)
Foreign exchange movement	(2)	(8)	(1)	(1)	(12)
Cost at 31 December 2025	19	100	24	125	268
Depreciation at 1 January 2025 (Restated)	4	19	15	102	140
Charge for the year	1	15	5	23	44
Disposals	-	-	-	(22)	(22)
Foreign exchange movement	-	(3)	-	(1)	(4)
Depreciation at 31 December 2025	5	31	20	102	158
Net book value					
At 31 December 2025	**14**	**69**	**4**	**23**	**110**
At 31 December 2024 (Restated)	17	89	6	30	142

CHARITY	Land and Buildings	Motor vehicles	Office Equipment and Furniture	IT Equipment	Total
	£000s	£000s	£000s	£000s	£000s
Cost at 1 January 2025	-	-	-	80	80
Additions	-	-	-	4	4
Disposals	-	-	-	(20)	(20)
Cost at 31 December 2025	**-**	**-**	**-**	**64**	**64**
Depreciation at 1 January 2025	-	-	-	64	64
Charge for the year	-	-	-	12	12
Disposals	-	-	-	(20)	(20)
Depreciation at 31 December 2025	**-**	**-**	**-**	**56**	**56**
Net book value					
At 31 December 2025	**-**	**-**	**-**	**8**	**8**
At 31 December 2024	-	-	-	16	16

13. DEBTORS AND PREPAYMENTS

	Group 2025	Group 2024 (Restated)	Charity 2025	Charity 2024
	£000s	£000s	£000s	£000s
Other debtors and accrued income	**133**	369	**131**	366
Tax recoverable	**12**	27	**12**	27
Prepayments	**76**	71	**41**	64
	221	467	**184**	457

14. CASH AND CASH EQUIVALENTS

	Group 2025	Group 2024 (Restated)	Charity 2025	Charity 2024
	£000s	£000s	£000s	£000s
Cash in hand:				
Held in the UK	**673**	1,902	**673**	1,901
Held overseas	**391**	252	**55**	92
	1,064	2,154	**728**	1,993

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

	Group	Group	**Charity**	Charity
		2024		2024
	2025	(Restated)	**2025**	
	£000s	£000s	**£000s**	£000s
Trade Creditors	**43**	81	**40**	81
Other Creditors	**-**	14	**-**	14
Taxation & social security costs	**62**	46	**62**	46
Accruals	**67**	73	**54**	73
Provisions	**60**	259	**60**	259
Loan	**144**	144	**144**	144
	376	617	**360**	617

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

	Group	Group	**Charity**	Charity
		2024		2024
	2025	(Restated)	**2025**	
	£000s	£000s	**£000s**	£000s
Loan	**794**	938	**794**	938
	794	938	**794**	938

The loan balance of £794k is payable in instalments in 1-5 years.

16. GROUP FUNDS

Funds — Prior Period Restatement

The prior period adjustment described in Note 23 has affected the restricted and unrestricted fund balances as follows. The removal of Hope and Homes for Children Romania from consolidation has reduced the opening restricted funds balance at 1 January 2024 by £2,801 and the opening unrestricted funds balance by £1,179k (net reduction in total funds: £3,980k). The comparative fund balances and movements for the year ended 31 December 2024 have been restated accordingly. The funds note has been updated throughout to reflect only Hope and Homes for Children's own restricted and unrestricted fund positions, without the inclusion of Hope and Homes for Children Romania's fund balances.

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.

Designated funds

The fixed asset fund represents the net book value of unrestricted fixed assets. Expenditure in this fund of £44k represents the impact of depreciation charges and asset disposals. Transfers from the general fund of £20k represent the acquisition of unrestricted fixed assets. Other recognised losses of £8k 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.

Current year	Balance at 1 Jan 2025	Income	Expenditure	Transfers	Other recognised gains/ (losses)	Balance at 31 Dec 2025
	£000s	£000s	£000s	£000s	£000s	**£000s**
Restricted funds						
FCDO – UK Aid Match	-	211	(211)	-	-	**-**
Rwanda	271	552	(702)	-	-	**121**
South Africa	38	437	(352)	-	4	**127**
Kenya	-	49	(49)	-	-	**-**
Uganda	-	15	(15)	-	-	**-**
Bulgaria	21	300	(313)	-	-	**8**
Moldova	-	137	(137)	-	-	**-**
Romania	-	56	(56)	-	-	**-**
Ukraine	952	1,706	(2,019)	-	(57)	**582**
India	-	133	(133)	-	-	**-**
Nepal	81	163	(181)	-	-	**63**
Advocacy	-	205	(205)	-	-	**-**
Sub-total	**1,363**	**3,964**	**(4,373)**	**-**	**(53)**	**901**
Unrestricted funds						
Fixed assets fund	142	-	(44)	20	(8)	**110**
General fund	(271)	4,044	(4,490)	(20)	-	**(737)**
Sub-total	**(129)**	**4,044**	**(4,534)**	**-**	**(8)**	**(627)**
Total funds	**1,234**	**8,008**	**(8,907)**	**-**	**(61)**	**274**

Previous year (Restated)	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						
Rwanda	353	792	(874)	-	-	**271**
South Africa	-	540	(281)	(217)	(4)	**38**
Kenya	-	20	(20)	-	-	**-**
Bulgaria	8	466	(453)	-	-	**21**
Moldova	-	163	(163)	-	-	**-**
Romania	-	207	(207)	-	-	**-**
Ukraine and regional response*	830	2,327	(2,154)	-	(51)	**952**
India	16	225	(241)	-	-	**-**
Nepal	37	207	(163)	-	-	**81**
Global Advocacy	50	200	(250)	-	-	-
Sub-total	**1,294**	**5,147**	**(4,806)**	**(217)**	**(55)**	**1,363**
Unrestricted funds						
Fixed assets fund	152	-	(47)	47	(10)	**142**
General fund	203	3,566	(4,210)	170	-	**(271)**
Sub-total	**355**	**3,566**	**(4,257)**	**217**	**(10)**	**(129)**
Total funds	**1,649**	**8,713**	**(9,063)**	**-**	**(65)**	**1,234**

*Ukraine and regional response funds included 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 immediate aftermath of the crisis. The regional response funds were fully used during 2024.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

GROUP	Unrestricted funds	Restricted funds	TOTAL 2025	Unrestricted funds (Restated)	Restricted funds (Restated)	TOTAL 2024 (Restated)
	£000s	**£000s**	**£000s**	£000s	£000s	£000s
Tangible fixed assets	110	**-**	**110**	142	-	142
Current assets	430	904	**1,334**	1,284	1,363	2,647
Current liabilities	(373)	(3)	**(376)**	(617)	-	(617)
Long term liabilities	(794)	**-**	**(794)**	(938)	-	(938)
	(627)	**901**	**274**	(129)	1,363	1,234

CHARITY	Unrestricted funds	Restricted funds	TOTAL 2025	Unrestricted funds (Restated)	Restricted funds (Restated)	TOTAL 2024 (Restated)
	£000s	**£000s**	**£000s**	£000s	£000s	£000s
Tangible fixed assets	8	**-**	**8**	16	-	16
Current assets	399	521	**920**	1,226	1,235	2,461
Current liabilities	(360)	**-**	**(360)**	(617)	-	(617)
Long term liabilities	(794)	**-**	**(794)**	(938)	-	(938)
	(747)	**521**	**(226)**	(313)	1,235	922

18. LEASE COMMITMENTS

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

	Group 2025	Group 2024	**Charity 2025**	Charity 2024
	£000	£000	**£000**	£000
Expiry date:				
Within one year	**11**	-	**4**	-

19. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

	2025	2024 (Restated)
	£000s	£000s
Reconciliation of net income to net cash flow from operating activities		
Net income / (expenditure)	**(899)**	(348)
Depreciation charge	**44**	43
Loss on disposal of fixed assets	**1**	2
Interest receivable	**(37)**	(46)
(Increase)/Decrease in stock	**(22)**	58
Decrease/(Increase) in debtors	**245**	122
(Decrease)/Increase in creditors	**(241)**	206
Net cash supplied by/(used in) operating activities	**(909)**	39

20. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2025 (Restated)	Cash Flows	Other movement	Foreign Exchange movement	At 31 Dec 2025
	£000s	£000s	£000s	£000s	£000s
Cash	2,154	(1,037)	-	(53)	**1,064**
Loans falling due within one year	(144)	144	(144)	-	**(144)**
Loans falling due after more than one year	(938)	-	144	-	**(794)**
Total Net Funds	**1,072**	**(893)**	**-**	**(53)**	**126**

21. 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
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 One Child One Family HHCSA:	**2025**	2024
	£000s	£000s
Assets	**15**	58
Liabilities	**-**	-
Funds	**15**	58
Income	**332**	412
Expenditure	**(375)**	(395)
Surplus/(Deficit)	**(43)**	17

Summary of the results of Hope and Housing for Children (Ukraine):	**2025**	2024
	£000s	£000s
Assets	**455**	247
Liabilities	**(2)**	-
Funds	**453**	247
Income	**1,431**	1,801
Expenditure	**(1,225)**	(2,011)
(Deficit)/Surplus	**206**	(210)

Summary of the results of Hope and Homes for Children (Ukraine):	2025	2024
	£000s	£000s
Assets	44	3
Liabilities	(1)	-
Funds	43	3
Income	457	5
Expenditure	(417)	(2)
Surplus/(Deficit)	40	3

Summary of the results of Hope and Homes for Children (Kenya):	2025	2024
	£000s	£000s
Assets	-	4
Liabilities	(3)	-
Funds	(3)	4
Income	59	10
Expenditure	(65)	(6)
Surplus/(Deficit)	(6)	4

Summary of the results of Hope and Homes for Children Asia:	2025	2024
	£000s	£000s
Assets	2	-
Liabilities	(11)	-
Funds	(9)	-
Income	23	-
Expenditure	(32)	-
Surplus/(Deficit)	(9)	-

22. EVENTS AFTER THE REPORTING DATE

Subsequent to the reporting date, the charity entered into a deed of variation with UBS Optimus Foundation in respect of its outstanding loan, which had a balance of £938k at 31 December 2025.

Under the original loan terms, £144k was repayable in July 2026 and is presented within creditors falling due within one year. The deed of variation replaces the fixed repayment schedule with a contingent repayment mechanism linked to the charity's financial position. Under the revised terms:

- No repayment is required in any year in which free reserves at the start of the year (as defined by the Charities SORP and disclosed in these financial statements) are below £500k;
- Where free reserves exceed £500k, the annual repayment is the sum of (i) 20% of free reserves above £500k and (ii) 5% of the previous year's unrestricted income above £3.5 million;
- Annual repayments are capped at £200k; and
- The loan must be repaid in full by 31 July 2033.

Had the deed been in place at the reporting date, the £144k currently classified as falling due within one year would have been reclassified as falling due after more than one year. Based on the charity's free reserves position at 1 January 2026, no repayment would have been due in the year ending 31 December 2026 under the revised mechanism.

This is a non-adjusting event and accordingly no adjustment has been made to these financial statements.

23. PRIOR YEAR ADJUSTMENTS

A: HOPE AND HOMES FOR CHILDREN ROMANIA

In preparing the 2025 financial statements, the trustees identified that Hope and Homes for Children Romania had been incorrectly included in the consolidated financial statements of Hope and Homes for Children as a subsidiary in prior years. Hope and Homes for Children Romania's Board of Directors comprises seven members, of whom only three are members of Hope and Homes for Children's Senior Management Team. For Hope and Homes for Children Romania to be a subsidiary, Hope and Homes for Children must hold control within the meaning of FRS 102 paragraph 9.4: the power to govern Hope and Homes for Children Romania's financial and operating policies so as to obtain benefits from its activities.

The trustees have concluded that this test is not met, as Hope and Homes for Children holds only three of the seven board votes. A resolution requires a majority of members present at a quorate meeting; Homes for Children's three-member bloc does not constitute a majority, and Hope and Homes for Children holds no agreement, statutory right, or power of appointment conferring a majority. Hope and Homes for Children cannot unilaterally appoint or remove board members.

Hope and Homes for Children Romania prepares its own budget and strategy, approved by its own board; it operates independent financial, HR, and IT systems; and Hope and Homes for Children UK holds no approval or veto rights over Hope and Homes for Children Romania's constitutional changes or dissolution.

Why Hope and Homes for Children Romania was previously consolidated

Hope and Homes for Children Romania was included in the consolidated financial statements on the basis that Hope and Homes for Children UK management believed it held a four-person majority on Hope and Homes for Children Romania's seven-member board, sufficient to constitute control under FRS 102 paragraph 9.4. That belief was incorrect.

Prior to the current review, Hope and Homes for Children management had assumed that at least one other member of the Hope and Homes for Children Romania Board would vote with the Hope and Homes for Children Senior Management bloc, creating an assumed four-person majority. This assumption was not tested against the actual provisions of Hope and Homes for Children Romania's statute. The trustees have concluded that this constitutes a prior period error under FRS 102 paragraph 10.19, arising from a misinterpretation of facts that were available and knowable from the point the board was reconstituted in December 2022.

Revised conclusion: significant influence but not control

Following the restatement, Hope and Homes for Children Romania is classified as an associate of Hope and Homes for Children UK. Hope and Homes for Children UK holds three of Hope and Homes for Children Romania's seven board seats, representing approximately 43% of board representation. Under FRS 102 paragraph 14.3A and the Charities SORP (FRS 102) Module 28, there is a rebuttable presumption of significant influence where an investor holds 20% or more of voting power. The trustees have concluded that this presumption is not rebutted: Hope and Homes for Children UK's three board seats give it meaningful participation in Hope and Homes for Children Romania's governance, and Hope and Homes for Children Romania's purposes are concurrent with those of Hope and Homes for Children UK. Hope and Homes for Children Romania is accordingly treated as an associate and equity-accounted in these financial statements.

B: INCOME CLASSIFICATION

In 2025, we updated our accounting policy in respect of income, leading to the following reclassifications within the SOFA:

- Income from Fundraising Activities and Events, previously classified as part of Donations and Legacies, is now reported within Other Trading Activities.
- The performance-related conditions of a number of grants have been reassessed, leading to income from these grants being reclassified from Charitable Activities to Donations and Legacies

Within Note 3, we introduced a new category, Institutional Funders and other NGOs. Income from Community Groups has been reclassified as income from either Institutional Funders and other NGOs, or Individuals, depending on the underlying nature of the community Group

Effect on the financial statements

The opening position as at 1 January 2024 and the comparative figures for the year ended 31 December 2024 have been restated to remove Hope and Homes for Children Romania from consolidation and to reflect our new accounting policy in respect of income. The effect on the primary financial statements and Note 3 is set out in the tables below.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

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

	Unrestricted (Original)	Restricted (Original)	2024 Total (Original)	Unrestricted (Adjustment)	Restricted (Adjustment)	2024 Total (Adjustment)	Unrestricted (Restated)	Restricted (Restated)	2024 Total (Restated)
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Income from:									
Donations and legacies	3,244	6,071	9,315	(491)	(992)	(1,483)	2,753	5,079	**7,832**
Charitable activities	-	1,350	1,350	-	(1,350)	(1,350)	-	-	-
Other trading activities	268	22	290	491	26	517	759	48	**807**
Investment income	46	5	51	-	(5)	(5)	46	-	**46**
Other income	8	21	29	-	(1)	(1)	8	20	**28**
Total income	**3,566**	**7,469**	**11,035**	**-**	**(2,322)**	**(2,322)**	**3,566**	**5,147**	**8,713**
Expenditure on:									
Raising funds	1,950	864	2,814	-	(438)	(438)	1,950	426	**2,376**
Charitable activities	2,943	5,568	8,511	(636)	(1,188)	(1,824)	2,307	4,380	**6,687**
Total expenditure	**4,893**	**6,432**	**11,325**	**(636)**	**(1,626)**	**(2,262)**	**4,257**	**4,806**	**9,063**
Net (expenditure)	(1,327)	1,037	(290)	636	(696)	(60)	(691)	341	**(350)**
Transfers	1,104	(1,104)	-	(887)	887	-	217	(217)	**-**
Other recognised gains / (losses)	(92)	(133)	(225)	82	78	160	(10)	(55)	**(65)**
Net movement in funds	**(315)**	**(200)**	**(515)**	**(169)**	**269**	**100**	**(484)**	**69**	**(415)**
Reconciliation of funds:									
Total funds brought forward	1,534	4,095	5,629	(1,179)	(2,801)	(3,980)	355	1,294	**1,649**
Total funds carried forward	**1,219**	**3,895**	**5,114**	**(1,348)**	**(2,532)**	**(3,880)**	**(129)**	**1,363**	**1,234**

BALANCE SHEETS

as at 31 December 2024

Registered Company Number: 04193179

	Group			Charity		
	2024 (Original)	Adjustment	2024 (Restated)	2024 (Original)	Adjustment	2024 (Restated)
	£000s		£000s	£000s		£000s
Fixed assets:						
Tangible fixed assets	1,658	(1,516)	**142**	16	-	**16**
Current assets:						
Assets Under Development	1,958	(1,958)	**-**	-	-	**-**
Stocks	138	(112)	**26**	11	-	**11**
Debtors and prepayments	481	(14)	**467**	457	-	**457**
Short-term bank deposits and cash resources	2,483	(329)	**2,154**	1,993	-	**1,993**
	5,060	(2,413)	**2,647**	2,461	-	**2,461**
Liabilities:						
Creditors: amounts falling due within one year	664	(47)	**617**	617	-	**617**
Net current assets	4,396	(2,366)	**2,030**	1,844	-	**1,844**
Creditors: amounts falling due after more than one year	940	(2)	**938**	938	-	**938**
Net assets	5,114	(3,880)	**1,234**	922	-	**922**
Funds:						
Restricted funds	3,895	(2,532)	**1,363**	1,235	-	**1,235**
Unrestricted funds	1,219	(1,348)	**(129)**	(313)	-	**(313)**
Total funds	5,114	(3,880)	**1,234**	922	-	**922**

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2024

	2024 (Original)	Adjustment	2024 (Restated)
	£000s		£000s
Cash flows from operating activities:			
Net cash provided by/(used in) operating activities	352	(313)	39
Cash flows from investing activities:			
Interest received	50	(4)	46
Proceeds from sale of property	195	(195)	-
Purchase of fixed assets	(52)	5	(47)
Purchase of assets under development	(886)	886	-
Net cash (used in) investing activity	(693)	692	(1)
Cash flows from financing activities:			
Cash outflows from loans	(108)	-	(108)
Net cash (used in) financing activity	(108)	-	(108)
Change in cash and cash equivalents in the year	**(449)**	**379**	**(70)**
Cash and cash equivalents at the start of the year	2,991	(711)	2,280
Change in cash and cash equivalents due to exchange rate movements	(59)	3	(56)
Cash and cash equivalents at the end of the year	**2,483**	**(329)**	**2,154**

NOTE 3 - DONATIONS AND LEGACIES

	Unrestricted (Original)	Restricted (Original)	2024 Total (Original)	Unrestricted (Adjustment)	Restricted (Adjustment)	2024 Total (Adjustment)	Unrestricted (Restated)	Restricted (Restated)	2024 Total (Restated)
Income from:									
Individuals	1,458	834	**2,292**	2	(299)	**(297)**	1,460	535	**1,995**
Corporate Donors	438	2,122	**2,560**	-	(1,689)	**(1,689)**	438	433	**871**
Charitable Trusts & Foundations	284	2,900	**3,184**	-	149	**149**	284	3,049	**3,333**
Institutional Funders & other NGOs	-	-	**-**	-	1,062	**1,062**	-	1,062	**1,062**
Community Groups	2	189	**191**	(2)	(189)	**(191)**	-	-	**-**
Fundraising Activities & Events	491	26	**517**	(491)	(26)	**(517)**	-	-	**-**
Legacies	571	-	**571**	-	-	**-**	571	-	**571**
Total Donations and Legacies	**3,244**	**6,071**	**9,315**	**(491)**	**(992)**	**(1,483)**	**2,753**	**5,079**	**7,832**

Analysis of Income adjustments

	Hope and Homes for Children Romania			Income Reclassification			Total Adjustments		
	Unrestricted (Original)	Restricted (Original)	2024 Total (Original)	Unrestricted (Adjustment)	Restricted (Adjustment)	2024 Total (Adjustment)	Unrestricted (Restated)	Restricted (Restated)	2024 Total (Restated)
Income from:									
Individuals	-	(299)	**(299)**	2	-	**2**	2	(299)	**(297)**
Corporate Donors	-	(1,689)	**(1,689)**	-	-	**-**	-	(1,689)	**(1,689)**
Charitable Trusts & Foundations	-	(104)	**(104)**	-	253	**253**	-	149	**149**
Institutional Funders & other NGOs	-	-	**-**	-	1,062	**1,062**	-	1,062	**1,062**
Community Groups	-	(189)	**(189)**	(2)	-	**(2)**	(2)	(189)	**(191)**
Fundraising Activities & Events	-	(0)	**(0)**	(491)	(26)	**(517)**	(491)	(26)	**(517)**
Legacies	-	-	**-**	-	-	**-**	-	-	**-**
Total Donations and Legacies	**-**	**(2,281)**	**(2,281)**	**(491)**	**1,289**	**798**	(491)	(992)	**(1,483)**
Charitable activities	-	(35)	**(35)**	-	(1,315)	**(1,315)**	-	(1,350)	**(1,350)**
Other trading activities	-	-	**-**	491	26	**517**	491	26	**517**
Investment income	-	(5)	**(5)**	-	-	**-**	-	(5)	**(5)**
Other income	-	(1)	**(1)**	-	-	**-**	-	(1)	**(1)**
Total income	**-**	**(2,322)**	**(2,322)**	**-**	**-**	**-**	**-**	**(2,322)**	**(2,322)**