

COMPANY REGISTRATION NUMBER: 07665606

CHARITY REGISTRATION NUMBER: 1145692

Promise Works Limited
Company Limited by Guarantee
Unaudited Financial Statements
30 November 2021

Promise Works Limited
Company Limited by Guarantee
Financial Statements
Year ended 30 November 2021

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Promise Works Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 30 November 2021

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 30 November 2021.

Reference and administrative details

Registered charity name Promise Works Limited

Charity registration number 1145692

Company registration number 07665606

Principal office and registered office Tilham Farm
Baltonsborough
Glastonbury
Somerset
BA6 8QA

The trustees M S Conway
K A O'Donnell
R H Peto
L Martin
C E Drew
M G Elliott
A R Holmes
T Knight (Appointed 15 December 2020)

Accountants Burton Sweet Limited, Chartered accountants
The Clock Tower
5 Farleigh Court
Old Weston Road
Flax Bourton
Bristol BS48 1UR

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 November 2021

Structure, governance and management

Promise Works Limited is a charitable company (company number 07665606; charity registration number 1145692) governed by Articles of Association for a Charitable Company dated 1 November 2011.

Risk Management

PROMISEworks maintains a formal Risk Management process, employing a Risk Matrix to assess the charity's exposure to a variety of risks and to define its mitigation efforts.

The risks to which the charity is exposed are reviewed regularly by the Board of Trustees. They are divided into five categories:

- Reputational
- Personal Safety
- Financial
- Service Delivery
- Organisational

The impact of each risk is assessed together with the likelihood of its occurrence. The product of these two factors is used to identify the most significant risks to the charity; prioritise mitigation efforts and ensure that those efforts employed are adequate.

The most significant risk to the charity is Personal Safety and the consequential Reputational risk that would be associated with one of our clients or volunteers suffering abuse or sustained physical or emotional harm as a result of their mentoring activities. Such an occurrence would risk a critical loss of credibility and carry with it the potential for closure of the service.

To mitigate this primary risk, the charity employs robust and constantly reviewed safeguarding processes and procedures. These include:

- Systematic, thorough recruitment and screening procedures
- Deliberately extended training programme, to ensure that volunteers are assessed over an appreciable period of time and in a variety of settings and situations
- Extensive vetting processes, with two or more interviewers examining the history, background and motivation of each volunteer
- Careful matching process, placing the needs and desires of the child at the centre of the decision-making process
- Continued, regular supervision of volunteers by trained case holders who are, in turn, supervised by an experienced Operations Manager
- Continuous professional development of all members of the team
- Regular internal audits conducted by the Safeguarding Lead Trustee

These requirements are all reflected in the charity's Safeguarding Policy which is reviewed on an annual basis.

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Year ended 30 November 2021

Each year, in the light of this risk management process, the charity reviews its insurance arrangements to ensure that it is adequately covered should any worst cases transpire.

Objectives and activities

The objects of the charity are: -

(1) to help vulnerable children, young people and families in Somerset and nationally by providing practical and emotional support, and;

(2) the advancement of education by the provision of training, educational programmes and information to a range of voluntary, public and professional individuals, groups and organisations for the public benefit.

PUBLIC BENEFIT

The charity provides mentoring services and support to some of the most vulnerable and at-risk children and young people in Somerset. Many of these young people are classed as "Children in Need" as defined in the Children Act 1989. The charity does not fund services and support which are within the statutory duty of the local authority.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

ACHIEVEMENTS AND PERFORMANCE

Summary – a year of recovery, consolidation, and continued growth

PROMISEworks has emerged from the COVID-19 pandemic period a stronger, more resilient charity. The pandemic affected all aspects of the charity's operation but the energy and creativity of everyone involved overcame these difficulties.

We continued to grow the number of children and young people that we support, reaching the milestone of 100 open relationships by mid-year. Since we started our service in April 2017, we have matched almost 200 vulnerable children and young people with a long-term volunteer mentor.

Twenty young people graduated successfully from the scheme during the year. These graduates felt able to dispense with the formal support of their mentor, each confident that the programme had helped them to build their own "life that works".

However, success has come with increasing demands and responsibilities. As professional agencies across the County recognised the unique value of our service, referrals grew rapidly. We ended the year with nearly 250 children and young people on our waiting list.

We strengthened our operations team and improved the resources and tools at their disposal. This included a complete refresh of our website, www.promiseworks.org.uk.

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Year ended 30 November 2021

The highlight of our fundraising year was a large grant from The National Lottery Community Fund. This three-year funding will allow us to expand our capacity to address the growing waiting list. It will also fund recruitment into the new post of General Manager. This will allow the trustees currently providing operational management to assume more traditional governance and development roles.

PROMISEworks & COVID-19

The COVID-19 pandemic continued to affect the charity in a variety of ways during 2020-21. These paragraphs describe those effects and how they were managed.

As the year began, approximately 50% of our mentor-mentee relationships had re-started regular face-to-face meetings. The remainder continued to meet virtually, using a variety of different methods to stay in touch at a distance. After the Christmas lockdown, the steady return to face-to-face meetings continued, with only a very small number still using virtual means by the end of March 2021. Throughout this transition, our operations team ensured that everyone involved was comfortable with any changes and that rules and guidelines were always understood and followed. The information and advice services provided by the National Youth Agency proved invaluable throughout these difficult times.

At the start of the year, we had effectively closed our service to new referrals. This moratorium was applied because the COVID-19 restrictions made it increasingly difficult to perform essential functions such as the assessment and training of volunteers; initial meetings with young people; matching meetings between prospective mentors and mentee and the final closure meetings when a young person graduates from the scheme.

Despite the moratorium, we received a steady trickle of requests throughout that early period. As we reopened the service, there was a very significant increase in referral rate. We received more than 230 over the course of the year and ended the year with 246 awaiting a match. While some of these unfortunate children and young people came to us as a direct result of the pandemic, most referrals were generated by a combination of two broader factors – Somerset professional agencies became increasingly aware of the usefulness of our service whilst at the same time experiencing a distinct lack of any alternative, long-term offering able to support their vulnerable children and young people.

As the restrictions eased, our operations team accelerated the training programme, completing three training courses in succession, with 28 new volunteers qualifying as mentors over the three-month period to the end of June.

COVID-19 factors complicated the organisation of efficient training programmes. Trainees were apt to make late changes to their intentions, dropping out of courses at the last minute due to illness, quarantine, or personal concerns. This made it difficult to find substitutions at short notice, risking the possibility of running less efficient courses with smaller training cohorts.

The Crisis Team that was established at the start of the pandemic continued to operate throughout the year, providing effective day-to-day management within the authority delegated to it by the Board of Trustees.

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Year ended 30 November 2021

The restrictions placed upon the charity during the COVID-19 period encouraged innovation and creativity within our team. This reinforced the benefits of information technology to deliver a more effective and efficient service. Extensive use was made of videoconferencing to improve the cohesion of the team as well as provide new routes for training staff & volunteers. In addition, social media packages such as WhatsApp and Facebook were used to keep mentors informed, maintain morale, and stay connected with PROMISEworks.

The funding environment continued to be profoundly affected by the pandemic. Both large and small grant funds switched their focus to COVID-19 issues. In addition, several large funds were closed to new beneficiaries. Businesses which under more normal circumstances might have considered corporate sponsorship had to concentrate on more fundamental issues, giving them little time to consider charity requests or other social responsibilities. Restrictions made fundraising events impossible. In this difficult environment, the charity's Fundraising Group formed smaller teams to focus upon specific segments such as local partners and large national grant bodies. This strategy proved successful. Despite the difficult funding environment, our fundraising targets were exceeded.

As in the previous year, the pandemic continued to bring out the best in the PROMISEworks team. We were able to grow the team which, in turn, allowed us to expand the service we provide, keeping everyone involved with PROMISEworks safe in the process. Throughout, the team was buoyed by the patience and commitment made to PROMISEworks by our volunteers. Our established mentors worked tirelessly to minimise the effects of the pandemic on their young friends while new volunteers waited patiently as changes in guidelines wreaked havoc on schedules and training programmes. We owe a debt of gratitude to them all.

Delivery Performance

The 232 referrals received in 2020-21 took the total received since launch in 2017 to 566. The 246 open applications at the end of the year were more than double that at the end of 2019-20.

Since the service started in April 2017, by the end of November 2021, 197 children and young people had been carefully matched with a long-term volunteer mentor. Despite the COVID-related restrictions described above, 53 new matches were completed during the year, with 116 on-going relationships in place at year end.

During the year, 27 relationships closed. These disengagements were for a variety of reasons:

- 20 young people “graduated” from the scheme; their successful mentoring relationships having come to an end by mutual agreement. This made a total of 41 successful graduations since the programme began
- Seven relationships were closed for unavoidable reasons such as the young person moving out of the county or where they or their parents developed severe mental health problems

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- No young people or their parents disengaged prematurely from the scheme during the year due to a mismatch between a mentor and the mentee/their family

In recognition of the vital role they have played in our success, in September, our volunteers were invited to join the trustees and staff to celebrate reaching the milestone of 100 ongoing PROMISEworks relationships.

Volunteer Recruitment & Training

Our training organisation was bolstered during 2020, with the recruitment of an Area Coordinator who was also an experienced trainer. He assumed the charity's lead trainer role during 2021 and organised a streamlining of the course and a refresh of the course materials.

The accelerated programme completed in the Spring and the more structured quarterly programme resumed later in the year, combined to train a total of 44 volunteers on 5 courses. All of these trainees went on to be matched with a child or young person (some matches being completed after the end of the financial year). At the end of the year, in addition to the 116 on-going relationships there were 7 matches in progress with a further 5 trained mentors awaiting the start of their matching or re-matching process.

Throughout the year, we have continued to benefit from word-of-mouth recruitment efforts encouraged by our positive profile and delivered by our growing mentor and supporter community. This produced a steady stream of applications, even during lockdown when we had little hope of training in the foreseeable future. This gave us an adequate number of trainees with which to pump prime our accelerated Spring programme. Thereafter, we returned to our reliance upon social media. This effort was assisted by two volunteers with social media experience who structured and re-vitalised our social media offering.

Improved Infrastructure

In addition to the improvements in our social media offering, over the course of the year PROMISEworks invested in the charity's infrastructure including:

- Completely overhauled the www.PROMISEworks.org.uk website, improving its content and making that content more readily accessible
- Established a new process for creating, editing, and auditing our suite of policies and procedures. This introduced a common standard for all documentation and ensured that we make the best use of the knowledge and experience available across the wider PROMISEworks team
- Made increased use of our existing information technology to improve the quality, robustness and security of our data systems. This included the establishment of new reporting schemes that allow our mentors to document progress with their mentees in a quick and easy way.

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Year ended 30 November 2021

Staffing

We continued the steady growth of our operations team during the year. We recruited another full time Case Holder & Area Coordinator to fill the opportunity in Mendip. This post is funded by our successful 2020 bid to the Somerset Community Foundation Early Help Fund.

With the new Mendip recruit domiciled in Sedgemoor and our Sedgemoor incumbent living in Mendip, we took the opportunity to reorganise the team, switching the two staff members so that each could work closer to home.

At the end of the year, our staff team consisted of:

- Delivery Manager (part time)
- Four Case Holder & Area Coordinators (approximately 3.6 full time equivalents)
- Finance & Administration Manager (full time)

As in 2020, we were also able to expand the Board of Trustees. We recruited a qualified accountant as Trustee Treasurer who brings expertise and experience to this important role.

The Strategic Importance of the National Lottery Community Fund

In mid-2019, the trustees and staff of PROMISEworks reviewed the strategic position of the charity. Faced with the need to grow to meet the ever-expanding demand for our services, we identified the obstacles in our path and mapped a route to overcome them.

A major strategic vulnerability was our reliance upon volunteer trustees in key managerial roles. To remove this reliance and create a sustainable, employee-led organisation, we identified a small group of potential funders that had sufficient resources and who might be prepared to fund such an organisational transformation. The National Lottery sat at the top of this short list of large grant bodies. Consequently, we put in place a plan to:

- Understand the National Lottery's requirements in detail
- Translate these requirements into an improvement plan focused upon the charity's infrastructure in areas such as impact and evaluation, diversity & inclusion and safeguarding documentation
- Design a new organisation
- When the time was right, create a compelling proposal to the National Lottery

In 2019, we had not factored in the consequences of a global pandemic, which caused us to put our plans on hold for a year. However, the delay did allow us to work even harder on infrastructure and planning improvements. This work bore fruit in September 2021, when the National Lottery Community Fund awarded us a three-year grant totalling £337,000, subject to performance and regular review. This grant will support the following:

- As a first step, to double the capacity in our largest region, South Somerset, by employing an additional Case Holder

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Year ended 30 November 2021

- Recruitment of a full-time General Manager to take over the day-to-day running of the charity, allowing the two “operational” trustees to focus upon their primary roles of corporate governance, strategy, business planning etc as well as assisting with fundraising activities
- As other PROMISEworks regions reach capacity, increase our compliment of case holders, adding a further one full time equivalent case holder by the end of the three-year period

The trustees and staff are excited by the future that will be enabled by the National Lottery grant and the improvement and expansion of service that it will allow.

Fundraising Performance

As described above, the pandemic continued to have an adverse effect upon PROMISEworks' ability to raise sufficient funds. In the light of these difficulties, the charity's Fundraising Group reorganised its small team to focus upon specific, key targets. This strategy bore fruit, with the overall result being that we raised £247,498, almost £21,000 more than the budget we set at the start of the year.

The following successes were of particular significance:

- National Lottery Community Fund – as noted above, a strategically important milestone in the charity's development. The concerted, nine-month bidding effort culminated in a three-year grant totalling £337,000 (subject to performance & regular review). The fundraising team at Spark Somerset provided invaluable support and were instrumental in this success
- Cooper Associates – the successful partnering with this Somerset business resulted in our first “cohort” sponsorship arrangement. Their £12,000 sponsorship will fund the support of six new relationships over a twelve-month period. The close links being built will assist in the recruitment of members of their staff as potential volunteer mentors. This is a model that we want to repeat across the County
- Cyril & Eve Jumbo Charitable Trust – represents another important “cohort” funding success. This funder will provide £60,000 over the next two years. In addition to sponsoring a cohort of 10-15 relationships, this money will fund a third-party evaluation of the PROMISEworks mentoring programme

The fundraising income for the year breaks down as follows:

	2021
	£
Personal Donations (including JustGiving)	17,923
General Fundraising (public appeals etc)	678
Fundraising Events	-
Corporate Donations	31,062
Unrestricted Grants	59,200
Restricted Grants	138,635
Fundraising Total	<u>247,498</u>

The Trustees thank the organisations and volunteers who have helped the charity to continue

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Year ended 30 November 2021

to grow successfully during the year and who have provided encouragement and advice as well as financial and practical support. In particular:

- The following, provided via the good offices of Somerset Community Foundation:
 - Michael Samuel Charitable Trust
 - C&JP Fund
 - Hinkley Point C Community Fund
 - The Corton Hill Trust
- The National Lottery Community Fund
- Ninesquare Trust
- Medlock Charitable Trust
- Fairfield Charitable Trust
- Toroce Investments & Gravis Capital Management
- Irwin Mitchell (Bristol) – Charity of the Year
- Cyril & Eve Jumbo Charitable Trust
- NFU Mutual Agency Giving Fund
- Charles Dowding Open Day
- Cooper Associates
- The Card Factory Foundation
- My Brain Books
- Burns the Bread, Glastonbury – for both financial support and the invaluable practical assistance of allowing us to share their storage facilities

In addition to these organisations, the Trustees are grateful to the many other community groups and individual donors and fundraisers who have given of their time and money in support of PROMISEworks during the year.

As in previous years, the Trustees would also like to thank and recognise the work of the staff who have continued the successful development of our mentoring operations.

Finally, we reserve our greatest thanks and admiration for the volunteer mentors upon whom our service depends. It is their dedication and commitment that improves the life chances of our children and young people.

Financial Review

Financial Controls

The necessary financial processes and procedures have been set out in a Finance Manual. The procedures outlined therein are followed at all times by trustees, staff, and volunteers.

The Finance Manual includes the customary internal controls on receipts and payments. All payments must be authorised by trustees or the appropriate delegated authority. Online banking payments require input and authorisation, and cheques require signature by two authorised signatories. Expenses may be reimbursed to volunteers, trustees, and staff where costs are incurred in their role in the normal course of charity business.

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Year ended 30 November 2021

Reserves Policy

In principle, PROMISEworks aims to maintain free reserves which are available for its general purposes, i.e., funds which are not restricted, designated, or otherwise committed, at a level which is likely to sustain its activities over an appropriate closure period and, in doing so, minimise any adverse consequences for our mentees.

PROMISEworks wants to grow its services to children and young people but will temper all growth decisions by reference to this policy.

The success of the PROMISEworks mentoring model is founded upon the long-term promise that is made to each young mentee when they join the programme - that they can count on having their mentor for at least two years. The fidelity of this promise must be protected for the service to continue to be effective.

If the charity failed it could cause significant distress to mentees. Suddenly losing the trusted relationship with their mentor, perhaps the first trusting relationship they had ever experienced, could be traumatic and only serve to exacerbate a young person's problems. Consequently, the PROMISEworks Reserves Policy has been designed to minimise the risk of breaking these promises for purely financial reasons. This translates, in financial terms, into maintaining enough unrestricted funds to cover the cost of completing all the promises that have been made to our children and young people. To this end, the Trustees of PROMISEworks have designated two funds to represent these financial commitments:

- Close Down Costs – this reflects the unrestricted cash holding that is likely to be needed during a controlled, six-month run-down period once a decision to close the service has been taken. During this time, mentoring services would continue as necessary
- Complete Promises – represents the additional cash holding needed to fund a third-party organisation to support and supervise volunteer mentors as they complete the remainder of any promises still outstanding at the end of the six-month Close Down period

When taken together, the Closedown Costs and Completed Promises designated funds represent the minimum unrestricted cash holding needed by the charity to maintain a safe service in the event of closure. It is, in effect, the charity's minimum reserve holding.

The charity uses a detailed model to estimate these two designated funds, identifying, in essence, the minimum unrestricted cash holding (reserves) that must be in place to ensure the maintenance of a safe service for those children and young people we support. At the end of the year, this model identified a minimum reserves fund level of £102,297. This was adequately supported by the actual unrestricted free reserves of £116,163.

Designated Funds

In addition to the Reserves-related designated funds described above, the trustees may earmark unrestricted funds for specific charitable purposes in accordance with the charity's

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Year ended 30 November 2021

objectives. At the end of the 2020-21 financial year, the Trustees had retained two such additional designated funds:

- Hardship - for the benefit of children and young people living in poverty and to help fund their immediate short-term needs for food, shelter, clothing, heat, light & power and other basic and essential needs.
- Mental Health – to cover the costs of occasional therapeutic counselling sessions arranged to help some of our young people cope with various issues in their lives.

Risk Assessment

The Trustees regularly review the risks to which the charity is exposed and minimise these risks through implementation of such controls and procedures as they deem appropriate, taking into consideration the likelihood of occurrence and the potential severity of each risk.

The charity has a safeguarding policy which is reviewed every year.

Statement of trustees' responsibilities

The trustees (who are also directors of Promise Works Limited for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the strategic report and directors' report) and the financial statements in accordance with 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 Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure, of the charitable company 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 judgments and accounting 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 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. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 November 2021

The trustees' annual report was approved on 22 March 2022 and signed on behalf of the board of trustees by:

K A O'Donnell
Trustee

Promise Works Limited
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Independent Examiner's Report to the Trustees of Promise Works Limited

Year ended 30 November 2021

I report to the charity trustees on my examination of the financial statements of Promise Works Limited ('the charity') for the year ended 30 November 2021.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Joshua Kingston BSc. ACA
Burton Sweet Limited
The Clock Tower
5 Farleigh Court
Old Weston Road
Flax Bourton
Bristol BS48 1UR

Date: 22 March 2022

Promise Works Limited

Statement of Financial Activities (Including Income and Expenditure Account)

Year ended 30 November 2021

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Income from:					
Grants, donations and legacies	2	109,345	138,635	247,980	184,670
Other trading activities	3	678	-	678	1,250
Investments	4	148	-	148	614
Total income		<u>110,171</u>	<u>138,635</u>	<u>248,806</u>	<u>186,534</u>
Expenditure on:					
Raising funds	5	782	-	782	309
Charitable activities	6	121,132	75,341	196,473	173,702
Total expenditure		<u>121,914</u>	<u>75,341</u>	<u>197,255</u>	<u>174,011</u>
Net income/(expenditure)	9	(11,743)	63,294	51,551	12,523
Transfers between funds	16	(385)	385	-	-
Net movement in funds	16	<u>(12,128)</u>	<u>63,679</u>	<u>51,551</u>	<u>12,523</u>
Total funds at start of year	16	131,942	23,957	155,899	143,376
Total funds at end of year	16	<u>119,814</u>	<u>87,636</u>	<u>207,450</u>	<u>155,899</u>

The Charity has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the charity are classed as continuing.

The notes on pages 16 to 27 form part of these financial statements
See note 11 for fund-accounting comparative figures

Promise Works Limited

Balance Sheet

As At 30 November 2021

Company number: 07665606

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	2,044	2,480
		<u>2,044</u>	<u>2,480</u>
Current assets			
Debtors	13	2,193	4,314
Cash at bank and in hand		225,814	165,659
		<u>228,007</u>	<u>169,973</u>
Liabilities			
Creditors : amounts falling due within one year	14	(22,601)	(16,554)
		<u>205,406</u>	<u>153,419</u>
Net current assets			
		<u>207,450</u>	<u>155,899</u>
Total assets less current liabilities			
		<u>207,450</u>	<u>155,899</u>
Net assets		<u>207,450</u>	<u>155,899</u>
FUNDS			
Unrestricted funds			
General funds	17	15,910	54,390
Designated funds	17	103,904	77,552
Restricted funds	17	87,636	23,957
		<u>207,450</u>	<u>155,899</u>
Total funds		<u>207,450</u>	<u>155,899</u>

For the year ending 30 November 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the Trustees on 22 March 2022 and are signed on their behalf by:

T Knight
Trustee

The notes on pages 16 to 27 form part of these financial statements

Promise Works Limited

Notes To The Financial Statements

Year ended 30 November 2021

1 Accounting policies

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019.

The charity is a public benefit entity as defined under FRS102. Along with other similar charities and organisations, the COVID-19 pandemic has brought many uncertainties to the global economy. The impact of this on the charity is highlighted in further detail within the Trustees' annual report. Notwithstanding these uncertainties, the Trustees have chosen to prepare the financial statements on a going concern basis given the free reserves held by the charity and the careful planning of the Trustees.

Income

Income from donations is included in income when these are receivable, except as follows:

- I. When donors specify that donations given to the charity must be used in future accounting periods, the income is deferred until those periods;
- II. When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred until the pre-conditions have been met.

Legacies are included on a receivable basis where charity is entitled to the income, it can be measured reliably and receipt is probable. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is not included in income but is treated as a contingent asset and disclosed if material.

Investment income is included on a receivable basis.

Donations in kind comprise donated services where the costs are measurable and the services would otherwise have to be paid for to maintain operational effectiveness.

Expenditure

Expenditure is recognised in the period in which it is incurred. Expenditure includes attributable VAT which cannot be recovered.

Raising funds

Raising funds expenditure include those costs incurred in seeking voluntary contributions, costs of goods sold and other costs which include the costs of running and participating in fundraising events and collections and cost of goods purchased for resale.

Charitable Activities

Grants awarded are allocated to charitable activities. Grants awarded are treated as expenditure and a liability in the accounts as soon as they become legal or constructive obligations. In the case of multi-year grant awards, the funding for all years is immediately recognised unless there are conditions which need to be met by the recipient to enable the release of subsequent years' funding.

Promise Works Limited

Notes To The Financial Statements

Year ended 30 November 2021

1 Accounting policies (*continued*)

Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity. Governance costs are included within support costs.

Allocation and apportionment costs

Certain expenditure is directly attributable to specific activities and this has been included in those cost categories. Other costs, which are attributable to more than one category, are apportioned across cost categories on the basis of an assessment of workload carried out from time to time.

Overhead support costs have been allocated between fundraising and publicity costs, fundraising trading and charitable activities. The apportionment has been allocated on the basis of usage and is analysed in note 7.

Pension costs and other post-retirement benefits

The charity contributes to defined contribution pension schemes. Contributions payable to the charity's pension schemes are charged to the Statement of Financial Activities in the period to which they relate.

Tangible fixed assets

Fixed assets are held at cost less accumulated depreciation. Depreciation is calculated so as to write off the cost of an asset, less its estimated ultimate residual value, over the useful life of that asset as follows:

Plant and machinery - over 3 years; straight line
Equipment - over 3 years; straight line

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid after taking account of any discounts due.

Cash and cash equivalents

Cash at the bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors

Creditors and provisions 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 to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objects at the discretion of the trustees.

Promise Works Limited

Notes To The Financial Statements

Year ended 30 November 2021

1 Accounting policies (continued)

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Designated funds form part of unrestricted funds and have been identified as being for particular purposes by the Trustees. They are not restricted and can be transferred to general funds at any time at the discretion of the Trustees.

Further explanation of the nature and purpose of each fund is included in note of the financial statements.

2 Income from grants, donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Personal donations	17,923	-	17,923
Corporate donations	31,062	-	31,062
Grants received			
Hinkley Point C Community Fund (SCF)	-	42,944	42,944
Medlock Charitable Trust	15,000	-	15,000
Ninesquare Trust	10,000	-	10,000
Powell & Samuel	9,000	-	9,000
Taunton Fund	-	25,000	25,000
The National Lottery - Covid 19	-	40,211	40,211
Orchard Fund (SCF)	5,000	-	5,000
Card Factory Foundation	-	1,000	1,000
Somerset Community Foundation	-	25,000	25,000
Alison Heart - My Brain	-	1,000	1,000
Rotary Club of Langport & Somerton Trust	-	980	980
Cyril & Eve Jumbo Trust	-	2,500	2,500
Brent Knoll Parish	200	-	200
Fairfield Charitable Trust	20,000	-	20,000
Coronavirus Job Retention Scheme	1,160	-	1,160
	<u>109,345</u>	<u>138,635</u>	<u>247,980</u>

Promise Works Limited

Notes To The Financial Statements

Year ended 30 November 2021

2 Income from grants, donations and legacies (continued)

Prior year comparatives	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Donations			
Personal donations	22,233	-	22,233
Corporate donations	31,405	-	31,405
Grants received			
Hinkley Point C Community Fund (SCF)	-	11,639	11,639
Medlock Charitable Trust	15,000	-	15,000
Ninesquare Trust	15,000	-	15,000
Sherborne Castle Country Fair	250	-	250
Powell & Samuel	-	9,000	9,000
Taunton Fund	-	25,000	25,000
Gooch Charitable Trust	-	3,000	3,000
The National Lottery - Covid 19	-	28,710	28,710
Huish Episcopi Parish Council	-	500	500
7 Star Foundation - Shine Bright Fund	-	350	350
Street Parish Council - SPC Grant	-	2,000	2,000
The Pixel Fund	-	3,500	3,500
Orchard Fund (SCF)	5,000	-	5,000
Brympton Parish Council	450	-	450
Coronavirus Job Retention Scheme	11,633	-	11,633
	<u>100,971</u>	<u>83,699</u>	<u>184,670</u>

3 Income from: Other trading activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Fundraising activities	678	-	678	1,250
	<u>678</u>	<u>-</u>	<u>678</u>	<u>1,250</u>

All prior year income from other trading activities was unrestricted.

4 Income from: Investments

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Interest received	148	-	148	614
	<u>148</u>	<u>-</u>	<u>148</u>	<u>614</u>

All prior year income from Investments was unrestricted.

Promise Works Limited

Notes To The Financial Statements

Year ended 30 November 2021

5 Expenditure on: Raising funds

	Total Funds 2021	Total Funds 2020
	£	£
Fundraising costs	782	309
	<u>782</u>	<u>309</u>

6 Expenditure on: Charitable activities

	Unrestricted Funds	Restricted Funds	Total Funds 2021
	£	£	£
Assisting vulnerable young people	102,669	68,841	171,510
Support costs	18,463	6,500	24,963
	<u>121,132</u>	<u>75,341</u>	<u>196,473</u>

Prior year comparatives

	Unrestricted Funds	Restricted Funds	Total Funds 2020
	£	£	£
Assisting vulnerable young people	87,232	69,523	156,755
Support costs	14,589	2,358	16,947
	<u>101,821</u>	<u>71,881</u>	<u>173,702</u>

7 Support costs

	Total Funds 2021	Total Funds 2020
	£	£
Training costs	3,105	3,295
Communication and IT	8,690	5,535
General Office	3,654	1,982
Finance costs	68	80
Professional services	6,058	-
Governance costs	2,107	5,228
Depreciation	1,281	827
	<u>24,963</u>	<u>16,947</u>

Promise Works Limited

Notes To The Financial Statements

Year ended 30 November 2021

8 Staff costs and numbers

The aggregate payroll costs were:

	2021	2020
	£	£
Wages & salaries	134,164	125,748
Social security costs	7,609	2,578
Pension contributions	6,554	7,968
	<u>148,327</u>	<u>136,294</u>

No employee received emoluments of more than £60,000.

The average weekly number of employees during the year was 6 (2020: 5), calculated on the basis of average headcount.

The key management personnel are considered to be the trustees and members of senior management. The total employment benefits received by key management personnel in the year were £76,264 (2020: £74,364).

One trustee has been reimbursed for their out of pocket travel and subsistence expenses totalling £286 (2020: £605). No Trustee received any remuneration during the year.

9 Net income/(expenditure) for the year

This is stated after charging:

	2021	2020
	£	£
Fees payable to the independent examiner for:		
Independent examination fee	1,667	1,216
Depreciation	1,281	827
	<u>2,948</u>	<u>2,043</u>

10 Taxation

The charity is exempt from corporation tax on its charitable activities.

Promise Works Limited

Notes To The Financial Statements

Year ended 30 November 2021

11 Statement of Financial Activities comparative figures

	Unrestricted Funds	Restricted Funds	Total Funds 2020
For the year ended 30 November 2020			
Income from:			
Donations and legacies	100,971	83,699	184,670
Other trading activities	1,250	-	1,250
Investments	614	-	614
Total income	<u>102,835</u>	<u>83,699</u>	<u>186,534</u>
Expenditure on:			
Raising funds	309	-	309
Charitable activities	101,821	71,881	173,702
Total expenditure	<u>102,130</u>	<u>71,881</u>	<u>174,011</u>
Net income/(expenditure) for the year and net movement in funds	705	11,818	12,523
Total funds at start of year	131,237	12,139	143,376
Total funds at end of year	<u>131,942</u>	<u>23,957</u>	<u>155,899</u>

12 Tangible fixed assets

	Plant & machinery £	Equipment £	Total £
Cost or valuation			
At 1 December 2020	1,206	2,859	4,065
Additions	-	845	845
Disposals	-	(340)	(340)
At 30 November 2021	<u>1,206</u>	<u>3,364</u>	<u>4,570</u>
Depreciation			
At 1 December 2020	187	1,398	1,585
Charge for the year	449	832	1,281
Disposals	-	(340)	(340)
At 30 November 2021	<u>636</u>	<u>1,890</u>	<u>2,526</u>
Net book value			
At 30 November 2021	<u>570</u>	<u>1,474</u>	<u>2,044</u>
At 30 November 2020	<u>1,019</u>	<u>1,461</u>	<u>2,480</u>

Promise Works Limited

Notes To The Financial Statements

Year ended 30 November 2021

13 Debtors

	2021	2020
Due in less than one year:		
Prepayments and accrued income	2,193	4,314
	<u>2,193</u>	<u>4,314</u>

14 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	4,818	307
Other creditors	4,970	6,569
Accruals and deferred income	12,813	9,678
	<u>22,601</u>	<u>16,554</u>

15 Related party transactions

There are no transactions with trustees or other related parties other than those disclosed as required by the Statement of Recommended Practice elsewhere in the financial statements.

Promise Works Limited

Notes To The Financial Statements

Year ended 30 November 2021

16 Movement in funds

For the year ended 30 November 2021

	At 1 Dec 2020 £	Income £	Expenditure £	Transfers £	At 30 Nov 2021 £
Restricted funds					
Hinkley Point C Community Fund (SCF)	9,758	42,944	(29,259)	-	23,443
Taunton Fund	6,803	25,000	(19,180)	-	12,623
Gooch Charitable Trust	2,718	-	(1,031)	-	1,687
Huish Episcopi Parish Council	500	-	(935)	435	-
7 Star Foundation - Shine Bright Fund	350	-	(232)	(50)	68
Street Parish Council - SPC Grant	1,798	-	(874)	-	924
Mental Health	2,030	1,980	(1,855)	-	2,155
SCF Early Help Mendip Fund	-	25,000	(16,651)	-	8,349
JUMBO Relationship Fund	-	2,500	(1,270)	-	1,230
National Lottery Reaching Communities Fund	-	40,211	(3,054)	-	37,157
Card Factory Foundation Community Fund	-	1,000	(1,000)	-	-
	<u>23,957</u>	<u>138,635</u>	<u>(75,341)</u>	<u>385</u>	<u>87,636</u>
Unrestricted funds					
General funds	54,390	110,072	(121,870)	(26,682)	15,910
Designated funds:					
Hardship fund	552	99	(44)	-	607
Mental health	1,000	-	-	-	1,000
Complete Promises	32,000	-	-	11,397	43,397
Closedown costs	44,000	-	-	14,900	58,900
	<u>77,552</u>	<u>99</u>	<u>(44)</u>	<u>26,297</u>	<u>103,904</u>
Total funds	<u>155,899</u>	<u>248,806</u>	<u>(197,255)</u>	<u>-</u>	<u>207,450</u>

Promise Works Limited

Notes To The Financial Statements

Year ended 30 November 2021

16 Movement in funds (continued)

Prior year comparatives

	At 1 Dec 2019 £	Income £	Expenditure £	Transfers £	At 30 Nov 2020 £
Restricted funds					
Hinkley Point C Community Fund (SCF)	11,639	11,639	(13,520)	-	9,758
Prowe Foundation	500	-	(500)	-	-
Powell and Samuel (SCF)	-	9,000	(9,000)	-	-
Taunton Fund	-	25,000	(18,197)	-	6,803
Gooch Charitable Trust	-	3,000	(282)	-	2,718
The National Lottery - Covid 19	-	28,710	(28,710)	-	-
Huish Episcopi Parish Council	-	500	-	-	500
7 Star Foundation - Shine	-	350	-	-	350
Bright Fund					
Street Parish Council - SPC Grant	-	2,000	(202)	-	1,798
Mental Health		3,500	(1,470)	-	2,030
	<u>12,139</u>	<u>83,699</u>	<u>(71,881)</u>	<u>-</u>	<u>23,957</u>
Unrestricted funds					
General funds	50,218	102,835	(102,073)	3,410	54,390
Designated funds:					
Hardship fund	609	-	(57)	-	552
Mental health	1,000	-	-	-	1,000
Complete Promises	25,120	-	-	6,880	32,000
Closedown costs	54,290	-	-	(10,290)	44,000
	<u>81,019</u>	<u>-</u>	<u>(57)</u>	<u>(3,410)</u>	<u>77,552</u>
Total funds	<u>143,376</u>	<u>186,534</u>	<u>(174,011)</u>	<u>-</u>	<u>155,899</u>

Restricted funds

Hinkley Point C Community fund is a grant that supports the establishment of a mentoring services in the Bridgwater/Sedgemoor region in the county.

The Prowe Foundation provided a grant specifically to part fund the purchase of a moped for a mentee. This grant was fully spent in the year.

Promise Works Limited

Notes To The Financial Statements

Year ended 30 November 2021

16 Movement in funds (continued)

The Powell and Samuel (SCF) Fund relates to the grants from Michael Samuel Charitable Trust and C&J P Fund provided via the Somerset Community Foundation which were restricted to volunteer expenses associated with supporting mentees. This fund was exhausted in the prior year.

The Taunton Fund relates to grants received from Toroce Investments Limited and Gravis Capital Limited, restricted to covering the costs of a Case Holder in the Taunton area.

The Gooch Charitable Trust issued a grant which was restricted to supporting the mentoring of young people in the Ilminster area.

The National Lottery Community Fund issued a grant from its Coronavirus Community Support Fund in order to cover gaps in funding from individual and corporate fundraising, community fundraising events and small scale grants that closed their application streams. This fund was exhausted in the prior year.

The Huish Episcopi Parish Council provided a grant restricted for use by mentors in the Langport area.

The 7 Star Foundation - Shine Bright Fund relates to a grant received specifically for an event at Hallr Woods which was postponed due to the government restrictions in 2020.

The Street Parish Council - SPC Grant is restricted to providing mentoring services in Street.

The Mental Health Fund relates to two funds received in the year from the Pixel Fund and My Brain Books (A. Hart), not the designated fund of the same name. This funding is restricted to providing counselling services to vulnerable children and young people.

The SCF Early Help Mendip Fund is a grant from Somerset County Council via the Somerset Community Foundation. The grant is restricted to the establishment of mentoring services in the Mendip area of the county.

The Cyril and Eve JUMBO Charitable Trust has provided a grant to fund a third party evaluation of our mentoring programme.

The National Lottery Reaching Communities Fund provided a grant via the RC South West Region Programme. This grant is restricted to covering specific employment costs with a view to increasing mentoring across Somerset.

The Card Factory Foundation Community grant was provided to cover the costs of training venues. This grant was exhausted in the year.

Designated funds

The Closedown Costs designated fund reflects a prudent estimate of the costs that would be incurred over the six months following any decision to close the mentoring service. Some of the charity's own staff would be retained during this period to manage the closure and to support the ongoing mentoring relationships.

Promise Works Limited

Notes To The Financial Statements

Year ended 30 November 2021

16 Movement in funds (continued)

The Complete Promises designated fund reflects an estimate of the costs that would be incurred by the charity in funding a third-party organisation to support those mentoring relationships that still had some of their two-year promise to complete at the end of the six-month Closedown period.

The Hardship Fund is for the benefit of children and young people living in poverty and to help fund their immediate short-term needs for food, shelter, clothing, heat, light & power and other basic and essential needs.

The Mental Health Fund is to cover the costs of occasional therapeutic counselling sessions arranged to help some of our young people cope with various issues in their lives. This designated fund represents the Trustees commitment to maintaining a minimum level of funding in this area, should the restricted funds provided for this purpose by donors be exhausted.

Transfer of funds

The fund transfers between general funds and the designated funds are to reflect changes during the year in respect of reserve targets for Complete Promises and Closedown Costs.

17 Analysis of net assets between funds

As at 30 November 2021	General Funds	Designated Funds	Restricted Funds	Total
	£	£	£	£
Tangible fixed assets	2,044	-	-	2,044
Other net assets	13,866	103,904	87,636	205,406
	<u>15,910</u>	<u>103,904</u>	<u>87,636</u>	<u>207,450</u>
As at 30 November 2020	General Funds	Designated Funds	Restricted Funds	Total
	£	£	£	£
Tangible fixed assets	2,480	-	-	2,480
Other net assets	51,910	77,552	23,957	153,419
	<u>54,390</u>	<u>77,552</u>	<u>23,957</u>	<u>155,899</u>

18 Limited by guarantee

The Charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £10.
