

COMPANY REGISTRATION NUMBER: 07665606
CHARITY REGISTRATION NUMBER: 1145692

Promise Works Limited
Company Limited by Guarantee
Unaudited Financial Statements
30 November 2020

Promise Works Limited
Company Limited by Guarantee
Financial Statements
Year ended 30 November 2020

| | Page |
|--|-------------|
| Trustees' Annual Report (incorporating the Director's Report) | 1 |
| Independent Examiner's report to the trustees | 10 |
| Statement of Financial Activity (including Income and Expenditure Account) | 12 |
| Balance Sheet | 13 |
| Notes to the financial statements | 14 |

Promise Works Limited

Company Limited by Guarantee

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

Year ended 30 November 2020

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 2020.

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 (Appointed 17 April 2020)
A R Holmes (Appointed 17 April 2020)
T Knight (Appointed 15 December 2020)

Accountants Burton Sweet Ltd
Chartered accountant
Cooper House
Lower Charlton Estate
Shepton Mallet
Somerset BA4 5QE

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.

Promise Works Limited

Company Limited by Guarantee

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

Year ended 30 November 2020

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.

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.

Promise Works Limited

Company Limited by Guarantee

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

Year ended 30 November 2020

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 – The year of the pandemic

Following the consolidation that characterised the previous year, PROMISEworks had entered 2019-20 confident of continued growth through controlled expansion. This was, of course, before anyone knew of the overwhelming effects that the COVID-19 pandemic would have upon so many aspects of the charity's operation.

Despite the restrictions placed upon our operations by the effects of the pandemic, we were still able to match almost as many vulnerable children and young people with a mentor as we had done the previous year. However, no doubt spurred by the disproportionate effects that the pandemic has had upon disadvantaged children, the demand for our services raced ahead of our ability to meet it. Despite effectively closing to new applications for long periods of the year, we still received a further 85 referrals, taking the total of referrals received since we started the service in mid-2017 to 334.

The pandemic period tested our financial resolve. In the face of reduced fundraising opportunities, we managed our costs to ensure that we maintained adequate reserves and finished the year with a positive cashflow position. Also, the effect of the pandemic period has been to strengthen our organisation, improve our internal communications and increase the efficiency of our operation.

Promise Works Limited

Company Limited by Guarantee

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

Year ended 30 November 2020

PROMISEworks & COVID-19

The COVID-19 pandemic presented several challenges. At the outset, we established a small, empowered Crisis Team that met several times each week and established a clear, phased path through the emergency. Throughout, the Crisis Team built robust plans based upon a risk-based assessment of our options. These were founded upon clear interpretations of Government guidelines and advice from authoritative organisations like the National Youth Agency.

During the initial Lockdown phase, any activity that could not comply with Government guidelines was proscribed, including all face-to-face meetings. This could have left already vulnerable children in more distress so our mentors developed a wide range of creative ways to stay in touch with and support their young friends. This included the use of digital communications such as Zoom and WhatsApp as well as more traditional methods like the telephone and the postal service. At the start of the first Lockdown period, our operations team estimated that 15 to 20 relationships might fail because of COVID-19 restrictions. In the end, due to the efforts of all concerned, only four relationships disengaged as a direct result of the pandemic.

The pandemic brought out the best in the PROMISEworks team. We were able to establish our new regional structure while at the same time managing the effects of the pandemic. This was a testament to the energy, creativity and flexibility of our staff team.

A positive outcome of the COVID-19 period has been the lessons learned concerning information technology and communications. We closed our office at the start of the emergency and developed a digital, paperless approach that has proved more efficient and effective. It is unlikely that we will need office accommodation for the foreseeable future, bringing very welcome additional cost savings.

The Crisis Team developed a new budget that recognised the likelihood of significant reductions in income. The team then focused upon cost management. We reorganised our case management organisation to allow us to place one case holder on furlough. This was only possible with the permission and support of our major funders. We were successful in winning emergency funding from the Coronavirus Community Support Fund, distributed by The National Lottery Community Fund. The combination of this funding injection, the furlough payments received via the Coronavirus Job Retention Scheme and strict cost management allowed us to maintain adequate reserves and deliver a positive cash position across the year.

As restrictions were relaxed during the summer, the team worked hard to get our mentors and mentees back together again. At the heart of this effort was a plan based upon a three-stage risk assessment. To begin, we canvassed the mentors individually, to assess their appetite and potential to re-start face to face meetings. If the mentor was happy, we then talked to any other agencies involved with the child. When both responses were positive, we then approached the child's family to assess their attitude to resumption. If all three stages were positive, face to face meetings re-started, but strictly within the social distancing guidelines established by the Government.

Promise Works Limited

Company Limited by Guarantee

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

Year ended 30 November 2020

As regulations and guidelines changed so we were able to return to more normal operations: allowing mentors to take their young person on essential car journeys; restarting the process of matching new relationships and, in July, restarting our training programme.

While most fundraising activities were curtailed by COVID-19 considerations, we were successful in winning a significant bid to the Early Help Fund, managed by Somerset Community Foundation on behalf of Somerset County Council. This three-year grant will fund the establishment of a Case Holder & Area Coordinator role in the Mendip region of the county.

Delivery Performance

During the year, PROMISEworks received an additional eighty-five referrals, taking the total received since launch to 334 and ending the year with 119 open applications. This was despite the service being closed to new referrals for extended periods during the year. The trend of the previous year continued, with an increasing proportion of referrals being made by schools and colleges.

Since the service started in April 2017, by the end of November 2020, 144 children and young people had been carefully matched with a long-term volunteer mentor. Despite the COVID-related restrictions placed upon the team, thirty-six of these matches were completed during the year. By the end of the year, eighty-three on-going relationships were in place.

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

- Ten young people “graduated” from the scheme; their successful mentoring relationships having come to an end by mutual agreement. This made a total of twenty-one 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
- Ten young people or their parents disengaged prematurely from the scheme – we estimate that four of these disengagements were as a direct result of pandemic-related restrictions

Volunteer Recruitment & Training

Lockdown restrictions and social distancing guidelines meant that our training programmes were curtailed for much of the year. As restrictions eased, we were able to run two training courses during the late summer, making use of a large venue that allowed adequate ventilation and social distancing for trainees and staff.

We trained twenty-one volunteers on three courses. Eighteen 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 83 on-going relationships there were ten matches in progress with a further nine trained mentors awaiting the start of their matching or re-matching process.

Given the restrictions on training, our direct recruitment efforts were stepped down for much

Promise Works Limited

Company Limited by Guarantee

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

Year ended 30 November 2020

of the year. However, it was gratifying to note that, despite the lack of active recruitment, the positive profile that we had established in the volunteer community saw people seek us out and make unsolicited applications. This meant that we had over thirty trainees ready to join training courses as soon as they could begin in 2021.

Staffing

Our staff team continued its steady growth during the year. We recruited a full time Case Holder & Area Coordinator to fill the opportunity in Bridgwater/Sedgemoor funded by our successful bid to the Hinkley Point C Community Fund in mid-2019.

At the end of the year, our staff team was made up as follows:

- Delivery Manager (part time)
- Three Case Holders (approximately 2.6 full time equivalents)
- Finance & Administration Manager (full time)

We were also able to expand the Board, adding two new trustees during the year and a further trustee shortly after the year end. These bring welcome skills and experience from the business community that will help us to consolidate our position and continue the growth of our service.

Fundraising Performance

The pandemic had a profound effect upon fundraising abilities during the year:

- Planned events had to be cancelled
- General public fundraising activities were halted
- Many corporate donors had to concentrate efforts on addressing their own problems while those that had the funds and time to consider charitable giving tended to focus upon direct support of COVID-19 issues
- Trusts and grant bodies temporarily closed their core programmes and also switched their focus to support COVID-19 issues directly

The combined effect of these adverse factors put at risk the charity's ability to maintain adequate reserves. To counter this, £28,710 of COVID-19 emergency funding was secured from the Coronavirus Community Support Fund, distributed by The National Lottery Community Fund.

The fundraising income profile for the year was as follows:

| | |
|---|----------------|
| | £ |
| Personal Donations (including JustGiving) | 21,233 |
| General Fundraising (public appeals etc) | 1,250 |
| Fundraising Events | |
| Corporate Donations | 31,405 |
| Unrestricted Grants | 48,333 |
| Restricted Grants | 83,699 |
| Fundraising Total | <u>185,920</u> |

Promise Works Limited

Company Limited by Guarantee

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

Year ended 30 November 2020

The Trustees thank the organisations and volunteers who have helped the charity to continue to grow successfully during the year and who have provided encouragement and advice as well as financial and practical support. In particular:

- The continued support of the Michael Samuel Charitable Trust and the C&JP Fund provided via the Somerset Community Foundation
- Hinkley Point C Community Fund also provided via the good offices of the Somerset Community Foundation
- The Orchard Fund also provided via Somerset Community Foundation
- Ninesquare Trust
- Medlock Charitable Trust
- Fairfield Charitable Trust
- Toroce Investments & Gravis Capital Management
- Gooch Charitable Trust
- Street & Huish Episcopi Parish Councils
- Avon & Somerset Police Community Trust
- The Pixel Fund
- Irwin Mitchell (Bristol) – Charity of the Year

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 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. Particular thanks and best wishes go to Paul Jefferies, one of our original staff members who retired during the year.

Finally, as in previous years but even more so during the COVID year that was 2020, we reserve our greatest thanks and admiration for the volunteer mentors upon whom our service depends. It is their dedication 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.

Promise Works Limited

Company Limited by Guarantee

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

Year ended 30 November 2020

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 disruption to 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 every 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 (or firm pledges) 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 costs that are likely to be incurred during a six-month run-down period once a decision to close the service had been taken. During this time, mentoring services would continue where appropriate
- Complete Promises – estimates the costs associated with funding a third-party organisation to support and supervise volunteer mentors as they complete the remainder of any two year 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 £76,000. This was adequately supported by the actual unrestricted cash holding of £131,942.

Promise Works Limited

Company Limited by Guarantee

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

Year ended 30 November 2020

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 objectives. At the end of the 2019-20 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. 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.

The trustees' annual report was approved on 26 May '21 and signed on behalf of the board of trustees by:



K A O'Donnell
Trustee

Promise Works Limited

Company Limited by Guarantee

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

Year ended 30 November 2020

I report to the trustees on my examination of the financial statements of Promise Works Limited ('the charity') for the year ended 30 November 2020.

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).

Promise Works Limited

Company Limited by Guarantee

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

Year ended 30 November 2020

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 ACA

For and on behalf of
Burton Sweet Ltd
Cooper House
Lower Charlton Estate
Shepton Mallet
Somerset
BA4 5QE

PROMISE WORKS LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 30 NOVEMBER 2020

| | Note | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2020 £ | Total Funds 2019 £ |
|---|------|----------------------------|--------------------------|--------------------------|--------------------------|
| Income from: | | | | | |
| Grants, donations and legacies | 2 | 100,971 | 83,699 | 184,670 | 116,154 |
| Other trading activities | 3 | 1,250 | - | 1,250 | 9,807 |
| Investments | 4 | 614 | - | 614 | 485 |
| Total income | | <u>102,835</u> | <u>83,699</u> | <u>186,534</u> | <u>126,446</u> |
| Expenditure on: | | | | | |
| Raising funds | 5 | 309 | - | 309 | 841 |
| Charitable activities | 6 | 101,821 | 71,881 | 173,702 | 130,990 |
| Total expenditure | | <u>102,130</u> | <u>71,881</u> | <u>174,011</u> | <u>131,831</u> |
| Net income/(expenditure) and net movement in funds | 9 | 705 | 11,818 | 12,523 | (5,385) |
| Total funds at start of year | 17 | 131,237 | 12,139 | 143,376 | 148,761 |
| Total funds at end of year | 17 | <u>131,942</u> | <u>23,957</u> | <u>155,899</u> | <u>143,376</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 14 to 25 form part of these financial statements
See note 11 for fund-accounting comparative figures

PROMISE WORKS LIMITED

BALANCE SHEET

AS AT 30 NOVEMBER 2020

Company number: 07665606

| | Note | 2020 £ | 2019 £ |
|--|------|----------------|----------------|
| Fixed assets | | | |
| Tangible assets | 12 | 2,480 | 1,162 |
| | | <u>2,480</u> | <u>1,162</u> |
| Current assets | | | |
| Debtors | 13 | 4,314 | 5,175 |
| Cash at bank and in hand | | 165,659 | 156,764 |
| | | <u>169,973</u> | <u>161,939</u> |
| Liabilities | | | |
| Creditors : amounts falling due within one year | 14 | (16,554) | (19,725) |
| Net current assets | | <u>153,419</u> | <u>142,214</u> |
| Total assets less current liabilities | | <u>155,899</u> | <u>143,376</u> |
| Net assets | | <u>155,899</u> | <u>143,376</u> |
| FUNDS | | | |
| Unrestricted funds | | | |
| General funds | 18 | 54,390 | 50,218 |
| Designated funds | 18 | 77,552 | 81,019 |
| Restricted funds | 18 | 23,958 | 12,139 |
| Total funds | | <u>155,899</u> | <u>143,376</u> |

For the year ending 30 November 2020 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 and are signed on their behalf by:



T Knight
Trustee

The notes on pages 14 to 25 form part of these financial statements

PROMISE WORKS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2020

1 Accounting policies

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards, FRS 102, the Companies Act 2006, the Charities Act 2011 and the Charities Statement of Recommended Practice (FRS 102).

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 2020

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.

PROMISE WORKS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2020

1 Accounting policies (continued)

Fund accounting

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

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 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> |

PROMISE WORKS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2020

2 Income from grants, donations and legacies (continued)
Prior year comparatives

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2019 £ |
|--------------------------------------|-------------------------------------|-----------------------------------|-----------------------------------|
| Donations | | | |
| Personal donations | 17,816 | - | 17,816 |
| Corporate donations | 19,873 | - | 19,873 |
| Grants received | | | |
| Tampon Tax Community Fund (SCF) | - | 8,576 | 8,576 |
| Hinkley Point C Community Fund (SCF) | - | 11,639 | 11,639 |
| Prowde Foundation | - | 500 | 500 |
| Fairfield Charitable Trust | 24,000 | - | 24,000 |
| Medlock Charitable Trust | 15,000 | - | 15,000 |
| Royal London Community Matter Fund | 5,000 | - | 5,000 |
| Ninesquare Trust | 10,000 | - | 10,000 |
| Sherborne Castle Country Fair | 3,750 | - | 3,750 |
| | <u>95,439</u> | <u>20,715</u> | <u>116,154</u> |

3 Income from: Other trading activities

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2020 £ | Total Funds 2019 £ |
|------------------------|-------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Fundraising activities | 1,250 | - | 1,250 | 9,807 |
| | <u>1,250</u> | <u>-</u> | <u>1,250</u> | <u>9,807</u> |

All prior year income from other trading activities was unrestricted.

4 Income from: Investments

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2020 £ | Total Funds 2019 £ |
|-------------------|-------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Interest received | 614 | - | 614 | 485 |
| | <u>614</u> | <u>-</u> | <u>614</u> | <u>485</u> |

All prior year income from Investments was unrestricted.

PROMISE WORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2020

5 Expenditure on: Raising funds

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2020 £ | Total Funds 2019 £ |
|-------------------|----------------------------|--------------------------|--------------------------|--------------------------|
| Fundraising costs | 309 | - | 309 | 841 |
| | <u>309</u> | <u>-</u> | <u>309</u> | <u>841</u> |

All prior year expenditure on raising funds was unrestricted.

6 Expenditure on: Charitable activities

| | 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> |

Prior year comparatives

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2019 £ |
|-----------------------------------|----------------------------|--------------------------|--------------------------|
| Assisting vulnerable young people | 104,297 | 8,576 | 112,873 |
| Support costs | 17,373 | 744 | 18,117 |
| | <u>121,670</u> | <u>9,320</u> | <u>130,990</u> |

7 Support costs

| | Total Funds 2020 £ | Total Funds 2019 £ |
|----------------------|--------------------------|--------------------------|
| Training costs | 3,295 | 1,677 |
| Communication and IT | 5,535 | 7,653 |
| General Office | 1,982 | 2,339 |
| Finance costs | 80 | 99 |
| Governance costs | 5,228 | 5,847 |
| Deprecation | 827 | 502 |
| | <u>16,947</u> | <u>18,117</u> |

PROMISE WORKS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2020

8 Staff costs and numbers

The aggregate payroll costs were:

| | 2020 | 2019 |
|-----------------------|----------------|---------------|
| | £ | £ |
| Wages & salaries | 125,748 | 81,220 |
| Social security costs | 2,578 | 2,170 |
| Pension contributions | 7,968 | 4,793 |
| | <u>136,294</u> | <u>88,183</u> |

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

The average weekly number of employees during the year was 5 (2019: 4), calculated on the basis of average headcount.

The key management personnel are considered to be the trustees and the Managing Director. The total employment benefits received by key management personnel in the year were £nil (2019: £nil).

One trustee has been reimbursed for their out of pocket travel and subsistence expenses totalling £605 (2019: £nil). No Trustee received any remuneration during the year.

9 Net income/(expenditure) for the year

This is stated after charging:

| | 2020 | 2019 |
|---|-------------------|-------------------|
| | £ | £ |
| Fees payable to the independent examiner for: | | |
| Independent examination fee | 1,216 | 1,046 |
| Depreciation | 827 | 502 |
| | <u> </u> | <u> </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 2020

11 Statement of Financial Activities comparative figures

| | Unrestricted Funds | Restricted Funds | Total Funds 2019 |
|--|-------------------------------|-----------------------------|-----------------------------|
| For the year ended 30 November 2019 | | | |
| Income from: | | | |
| Donations and legacies | 95,439 | 20,715 | 116,154 |
| Other trading activities | 9,807 | | 9,807 |
| Investments | 485 | | 485 |
| Total income | <u>105,731</u> | <u>20,715</u> | <u>126,446</u> |
| Expenditure on: | | | |
| Raising funds | 841 | | 841 |
| Charitable activities | 121,670 | 9,320 | 130,990 |
| Total expenditure | <u>122,511</u> | <u>9,320</u> | <u>131,831</u> |
| Net income/(expenditure) for the year and net movement in funds | (16,780) | 11,395 | (5,385) |
| Total funds at start of year | 148,017 | 744 | 148,761 |
| Total funds at end of year | <u>131,237</u> | <u>12,139</u> | <u>143,376</u> |

12 Tangible fixed assets

| | Plant & machinery £ | Equipment £ | Total £ |
|--------------------------|--|------------------------|--------------------|
| Cost or valuation | | | |
| At 1 December 2019 | - | 2,188 | 2,188 |
| Additions | 1,206 | 939 | 2,145 |
| Disposals | - | (268) | (268) |
| At 30 November 2020 | <u>1,206</u> | <u>2,859</u> | <u>4,065</u> |
| Depreciation | | | |
| At 1 December 2019 | - | 1,026 | 1,026 |
| Charge for the year | 187 | 640 | 827 |
| Disposals | - | (268) | (268) |
| At 30 November 2020 | <u>187</u> | <u>1,398</u> | <u>1,585</u> |
| Net book value | | | |
| At 30 November 2020 | <u>1,019</u> | <u>1,461</u> | <u>2,480</u> |
| At 30 November 2019 | <u>-</u> | <u>1,162</u> | <u>1,162</u> |

PROMISE WORKS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2020

13 Debtors

| | 2020 | 2019 |
|-----------------------------------|--------------|--------------|
| Due in less than one year: | | |
| Trade debtors | - | 4,000 |
| Prepayments and accrued income | 4,314 | 1,175 |
| | <u>4,314</u> | <u>5,175</u> |

14 Creditors: amounts falling due within one year

| | 2020 | 2019 |
|------------------------------|---------------|---------------|
| | £ | £ |
| Trade creditors | 307 | 1,402 |
| Other creditors | 6,569 | 6,258 |
| Accruals and deferred income | 9,678 | 12,065 |
| | <u>16,554</u> | <u>19,725</u> |

16 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 2020

17 Movement in funds

For the year ended 30 November 2020

| | 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 |
| Prove 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 | | | | | |
| Bright Fund | - | 350 | - | - | 350 |
| Street Parish Council - SPC Gra Mental Health | - | 2,000 | (202) | - | 1,798 |
| | 3,500 | (1,470) | 2,030 | | |
| | <u>12,139</u> | <u>83,699</u> | <u>(71,881)</u> | <u>-</u> | <u>23,958</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><u>143,376</u></u> | <u><u>186,534</u></u> | <u><u>(174,011)</u></u> | <u><u>-</u></u> | <u><u>155,899</u></u> |

PROMISE WORKS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2020

17 Movement in funds (continued)

Prior year comparatives

| | At 1 Dec 2018 £ | Income £ | Expenditure £ | Transfers £ | At 30 Nov 2019 £ |
|--|-----------------------|----------------|------------------|----------------|------------------------|
| Restricted funds | | | | | |
| Somerset Community Foundation - Start up | 744 | - | (744) | - | - |
| Tampon Tax Community Fund (SCF) | - | 8,576 | (8,576) | - | - |
| Hinkley Point C Community Fund (SCF) | - | 11,639 | - | - | 11,639 |
| Prowe Foundation | - | 500 | - | - | 500 |
| | <u>744</u> | <u>20,715</u> | <u>(9,320)</u> | <u>-</u> | <u>12,139</u> |
| Unrestricted funds | | | | | |
| General funds | 61,508 | 105,731 | (122,511) | 5,490 | 50,218 |
| Designated funds: | | | | | |
| Hardship fund | 609 | - | - | - | 609 |
| Mental health | 1,000 | - | - | - | 1,000 |
| Complete Promises | 44,800 | - | - | (19,680) | 25,120 |
| Closedown costs | 40,100 | - | - | 14,190 | 54,290 |
| | <u>86,509</u> | | | <u>(5,490)</u> | <u>81,019</u> |
| Total funds | <u>148,761</u> | <u>126,446</u> | <u>(131,831)</u> | <u>-</u> | <u>143,376</u> |

Restricted funds

The Tampon Tax Community Fund is a grant restricted to the direct staff costs, staff expenses and volunteer expenses associated with supporting work for new female mentees. The fund was exhausted in the 2018/19 year.

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 this year.

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 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 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 2020

17 Movement in funds (continued)

Somerset Community Foundation - Start up is a grant restricted to a defined list of capital and other one-off items associated with establishing the delivery service. This fund was exhausted during 2018/19.

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 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 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 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.

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.

PROMISE WORKS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2020

18 Analysis of net assets between funds
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> |

As at 30 November 2019

| | General Funds £ | Designated Funds £ | Restricted Funds £ | Total £ |
|-----------------------|--------------------------------|-----------------------------------|-----------------------------------|--------------------|
| Tangible fixed assets | 1,162 | - | - | 1,162 |
| Other net assets | 49,056 | 81,019 | 12,139 | 142,214 |
| | <u>50,218</u> | <u>81,019</u> | <u>12,139</u> | <u>143,376</u> |

19 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.