

ThePromise
(A company limited by guarantee)

Annual Report and Unaudited Financial Statements
for the year to 31 March 2014

Charity number 1098771
Company number 04751873

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Registered Office and Operating Address

The Promise
52 Sherland Road
Twickenham
England TW1 4HD

Tel: 020 8123 3290

Registered Charity Number

1098771

Registered Company Number

04751873

Trustees

Mrs Vicki Brown
Mrs Clare Nash
Mrs Sarah Settelen (Chair)
Mrs Anne Warner (Treasurer)

Bankers

The Cooperative Bank plc
P.O. Box 250
Skelmersdale WN8 6WT

CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4JQ

Independent Examiner

Mr R J Midgley FCA
MHA MacIntyre Hudson
New Bridge Street House
30-34 New Bridge Street,
London EC4V 6BJ

Secretary

Mrs Clare Nash

Trustees' Annual Report

1st April 2013 – 31st March 2014

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2014.

The financial statements have been prepared in accordance with the Companies Act 2006 the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

ThePromise was established in January 2003, as a direct result of the experiences of Sarah Settelen and Iona Sutherland who volunteered for two months at the Ryazan baby home in Russia. Sarah and Iona saw a huge need on the part of the disabled children in the baby home to receive some one-to-one interaction and stimulation in order for them to achieve their potential. Currently disabled children in orphanages in Russia receive no input of any sort and they face bleak futures of institutionalisation and sensory, emotional and educational deprivation. Even disabled children who are cared for in their own families remain isolated from society and many families receive no external support or input for their disabled child.

ThePromise was incorporated on 2nd May 2003 and received charitable status on 28th July 2003. The charity's charitable object is to promote the education and protect the health of children (0-19 years) with special needs within both institutional and family settings, primarily, but not exclusively, in Russia.

In 2010 ThePromise supported the founding of a new Russian NGO 'Obeshenye' to undertake Portage work in Russia and apply for grants and donations from within Russia. Obeshenye was founded on 17 June 2010 and started work on 1st October 2010.

ThePromise and Obeshenye are separately registered organisations with different management teams and boards of trustees. Obeshenye, which is based in Ryazan, Russia, has developed out of the Portage work supported by ThePromise. The two organisations work in very close partnership but are legally distinct entities. Obeshenye is on a path towards complete financial and managerial independence from ThePromise. This will ultimately be achieved through the development of funding streams from Russia and capacity building – both supported by ThePromise. Since official registration, Obeshenye has been funded by a grant from ThePromise and a small number of grants from Russian organisations and individuals.

ThePromise and Obeshenye have a shared vision and purpose:

Our Vision is a world where children with disabilities can achieve the best possible quality of life.

Our Purpose – ThePromise meets a public benefit need by working towards improving the lives of disabled children in Russia. We do this by promoting a system of support (Portage) for disabled children in partnership with families and carers and by encouraging a more positive attitude to disability.

How we meet a public benefit need – we have referred to the guidance contained in the Charity Commission general guidance on public benefit when reviewing our purpose and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that they have set.

Our activity and who we try to help are described below. Our charitable activity focuses on improving the lives of disabled children in Russia and are undertaken to further our charitable purpose for the public benefit.

Our Values –

- ***We value the right of all children to lead a fulfilling life***
- ***We value the right of people to determine and develop their own future***
- ***We believe in working in partnership***
- ***We believe that all children should be valued for their unique qualities***

STRATEGIC PLAN

In March 2008, the charity completed its first five year plan and in April 2008, the Trustees developed a new strategic plan to guide the charity's future work. A full copy of the strategic plan is available on our website www.thepromise.org.uk

A) REVIEW OF ACHIEVEMENTS AND PERFORMANCE AGAINST THE PRIORITIES AND FOCUS OUTLINED IN THE STRATEGIC PLAN

SERVICES

1. Portage Delivery and additional therapies:

Ryazan Baby Home

Although ThePromise and Obeshenye have no direct input into the Ryazan Baby Home, the work with disabled children, based on the Portage model, continues to flourish. Children at the Baby Home receive Portage along with a range of other therapies such as sensory integration. The Baby Home also provides short term respite care for local families. It is a tribute to the staff that this transition took place and the work with disabled children which was set up by ThePromise in 2005, will continue now and for future generations.

Community Programme

During the year, the Community Programme consisted of 15 Portage workers visiting 20 families in their homes each week (a total of 26 families received Portage during the year). For many families, this weekly visit continues to be their only form of external assistance for their disabled child and is a concrete way of supporting parents to keep their disabled children at home rather than handing them over to the state to be cared for in an institution. Children receiving Portage continue to progress and succeed in accessing local kindergartens. Prior to the Portage programme, this would only have been a dream for their parents but thanks to the skills acquired

during Portage, six children have left the project this year, one due to a change in personal circumstances and the rest to attend kindergarten. Two children are being assessed to join school next year to attend full-time education. The community Portage service in Ryazan has become more established during the year and now has strong links with Government departments (Social Protection and Education). Our service is favoured by parents as it remains truly focused on the child and their family and includes elements of other services which are now being set up for disabled children. Unlike these services, Portage's starting point is what a child can do (not what they can't do) and skills are acquired through play in the home environment.

We continue to fund the recruitment of our volunteer Portage Workers from students studying Psychology at Ryazan State University. The university remains extremely supportive of the programme by introducing Portage into the curriculum for all Psychology students as well as supporting those students who volunteer for ThePromise as Portage Workers. Elvira Samarina, who heads up the Psychology Department at Ryazan State University continues to take a great interest in our work and to provide support for our Community team. Natalia Tikhonia (Kvashenko) stepped down as Senior Portage Worker to work as a full time psychologist and Oksana Zainoutdinova, one of our student Portage Workers was promoted to team leader.

Yelatma Orphanage

Yelatma Orphanage cares for disabled children who are deemed "ineducable", once they leave the baby home. There are approximately 60 children there, aged from 4 up to 18.

The team continues to work in the 'Mercy Department' which houses 47 children with complex disabilities. If it weren't for the funding provided by ThePromise and a growing number of Russian donors, these children would receive no therapy or education of any sort. They are simply "housed" by the state for the duration of their life, which, for many, is limited.

During the year, our 11 Portage workers worked with 42 children in the 'Mercy Department' these children received one to one Portage sessions with 'their' Portage Worker and many were able to join in group activities as well.

Working closely with Obeshenye, we have continued to coordinate support for the orphanage from other organisations. A church in Ryazan continues to provide extra food, such as fresh fruit, on a monthly basis, and we continue to work with Diema's Dream (an international NGO) who now funds the salaries of some of the Portage workers.

We are delighted to say that by 31 March 2014, the Portage programme at Yelatma was fully funded by donations and grants secured in Russia (a combination of grants from the Department for Social Protection and Russian based charities and foundations). The Executive Director of Obeshenye supports Yelatma in terms of grant management and works closely with Maria (the Senior Portage worker) but the goal we set ourselves for financial independence and a sustainable Portage programme at this institution has been achieved. Both ThePromise, Obeshenye and

the team at Yelatma continue to work together disseminating best practice and training new Portage workers.

2. Dissemination of Information (training/materials/information)

ThePromise continues to take advantage of any opportunities to share our research, experience and the Portage model to interested parties.

In October 2013 we ran our Basic Portage Workshop in Ryazan to train up new Portage workers. The workshop was once again delivered entirely by our team of Russian trainers. In addition Mollie White, our UK based Portage consultant, supported the Yasenovo Centre to deliver a Basic Portage Workshop in Moscow for organisations interested in starting new Portage services. In total we trained 50 students, potential Portage workers and staff from potential partners (including a group of parents setting up a new service in Taganrog, near the border with Ukraine).

B). CRITICAL SUCCESS FACTORS

Governance Structure

The Board of Trustees is responsible for the governance of the charity and includes all the founding Trustees who remain very close to the cause of the organisation.

Mrs Vicki Brown

Ms Clare McKeown (Vice Chair) – resigned 28 April 2014

Mrs Clare Nash (Secretary)

Mrs Sarah Settelen (Chair)

Mrs Anne Warner (Treasurer)

Mrs Joanie Speers – resigned 23 July 2013

The full board meets four times a year and there is regular contact between meetings with all Trustees.

Trustee Induction

Any new trustee attends a meeting with the existing trustees to undergo an orientation session to familiarise them with the operations and activities of the charity and their legal obligations under charity and company law. Each new trustee is appraised of the financial status of the charity at the time of their appointment.

Strategic Partnerships

During the year we worked very closely with Obeshenye our Russian Partner NGO. Obeshenye has signed strategic partnership agreements with: The Ryazan Baby Home, Ryazan State University, Yelatma Orphanage, the Yasenovo Centre, Moscow and Our Children (NGO). ThePromise is also working directly with a group of parents and specialists in the southern city of Taganrog.

Staff and Volunteers

We have two part time staff employed in the UK (the Director and the Volunteer Project Manager) and two freelance workers (the bookkeeper and fundraiser). We have continued to keep our costs down by maintaining a very small UK team as we worked towards helping Obeshenye to become independent and responsible for programmatic decisions in Russia and ThePromise moves from a service provider to a grant giver. From 17 June 2010, all staff in Russia were contracted to and employed by Obeshenye. Apart from the Executive Director of Obeshenye, all staff are part time. This allows both organisations to keep salary costs down whilst at the same time work in a flexible way.

Since being founded in 2003, ThePromise has benefited from a small but committed team of trustees, staff, freelance workers and volunteers both in the UK and Russia and this stability is a key strength for the organisation.

We are particularly grateful to a small number of people who offer their services 'pro – bono'. This includes James Midgley and Dean Garratt and the team at MHA MacIntyre Hudson who verify our accounts. Special mention should also go to Mollie White (Portage) for her tireless and on-going support of our Portage work in Russia.

Finance

Our total income was £83,014 in 2013/14 (compared to £87,120 in 2012/13) with expenditure at £64,854 (compared with £116,162 in 2012/13). We were able to maintain our programme activities and fund the running costs of Obeshenye by making savings in our UK salary costs (due to both UK employees and freelancers reducing their hours) and increasing our fundraising income in both the UK and Russia. The surplus was put back into our reserves to replace money drawn down the previous year.

Our income continues to be mixture of donations from individuals, events, corporate donors and trusts.

Fundraising, Marketing and Communications

2014 marked the 10th Birthday of the founding of ThePromise. On 26th June 2013, we organised a summer party in Pembroke Lodge, Richmond Park for our supporters. It was a fantastic night of celebration, reflection and generosity and we raised an amazing £7,000.

We once again took part in the Big Give Christmas Challenge in December 2013 and we raised £5,376 from individuals who took part and matched funding from Reed.

Our income from Trusts and Foundations held steady at £33,000. We are extremely grateful to the following who supported us during the year: The Arimathea Charitable Trust, The Allen & Nesta Ferguson Charitable Trust, The Ian Mactaggart Trust and the Souter Charitable Trust. We are particularly grateful to The Barbara Ward Children's Foundation. They provided seed funding when we first started our work in Russia and during this year, they continued to fund the position of Programme Manager in Russia to enable Obeshenye (our Russian partner NGO) to move towards

independence from ThePromise. As a result of this funding, Obeshenye has been able to raise its profile in Ryazan and beyond. They have forged good links with the local authorities and NGOs in Ryazan, Moscow and beyond resulting in a significant increase in funding from within Russia. The grant also enabled our UK Director to provide capacity building support to Obeshenye and their Executive Director.

However the difficulty of raising funds during times of economic uncertainty must not be underestimated. The income from TheBigGive continues to decline each year as there is more competition for funding and we are aware that the generous support of the Barbara Ward Children's Foundation comes to an end in September 2014. Both the UK and Russian teams continue to devote time and energy to identifying sustainable sources of funding. A special mention should go to our 'Angels' (regular donors) who donated over £18,000 last year. Without this support from both individuals and Blackthorne International (our corporate Angel), we would not be able to plan our work.

Reserves Policy

At the end of the financial year, our total funds carried forward was £62,269. The Trustees have agreed to a breakeven budget in 2014/15 which would enable us to maintain a prudent reserves level (of 4 – 6 months' expenditure) in March 2015.

On behalf of ThePromise Board of Trustees, I want to thank the amazing team that continues to ensure the children in Russia are now receiving such invaluable help. This includes all our staff in the UK and Russia, as well as the countless volunteers and professional advisors that give of their time so willingly and generously. ThePromise depends on the passion and vision of everyone who works with us to ensure we can continue to change lives and minds. This also includes all those who donate to us financially and those who work in partnership with us in Russia. On behalf of all the children, thank you for everything you do.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Investment Policy

We have the authority to invest the charity's resources as appropriate. There are no restrictions on the charity's power to invest. The interest earned by the charity during the year from its cash balances amounted to £83 (2013: £66). The strategy of the charity is to invest in low risk cash balances.

Plans for Future Periods

The charity continues to operate within its charitable objectives and will continue to support Obeshenye (via an annual grant) until this organisation becomes fully funded from within Russia. The Trustees and staff of ThePromise continue to work with the Council and staff of Obeshenye to support their work and build their programmatic and fundraising capacity. At the end of March 2014, their main Portage programme in Yelatma orphanage was fully funded by donations and grants from within Russia. This was a huge achievement for both ThePromise and Obeshenye and shows that there is now an understanding of the importance of the Portage model in the development of children with disabilities.

In Spring 2014, the Promise staff worked closely with the staff and Council of Obeshenye to put together a two year strategic plan. The future funding from ThePromise is based on this plan which concentrates on building up the Community Portage team in Ryazan and disseminating the Portage model to other regions in Russia. The long term aim of ThePromise is to help Obeshenye to become fully financed from within Russia by April 2016 and for ThePromise to direct its grant funding to support new Portage services in other parts of Russia.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Registered office:
ThePromise
52 Sherland Road
Twickenham
TW1 4HD

Signed on behalf of the Trustees:



Sarah Seffelen – Chair of Trustees
22 December 2014

**INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES
OF THE PROMISE**

I report on the accounts for the year ended 31 March 2014 which are set out on pages 13 to 20.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under Section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

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

Basis of independent examiner's report

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

**INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES
OF THE PROMISE
(continued)**

Independent examiner's statement

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

- (1) which gives me reasonable cause to believe that in any material respect, the requirements:
- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of Section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities
- have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Mr R J Midgley FCA
Chartered Accountant
MHA MacIntyre Hudson
Chartered Accountants
New Bridge Street House
30-34 New Bridge Street
London EC4V 6BJ

Dated: 22 December 2014

The Promise
Statement of Financial Activities for the year to 31st March 2014 (and Income and expenditure account for the year to 31st March 2014)

		2014	2013
		£	£
Incoming resources			
Donations, legacies and similar incoming resources		56,105	63,044
Generated funds from activities		26,826	24,010
Investment income	2	83	66
Total incoming resources		<u>83,014</u>	<u>87,120</u>
Resources expended			
Cost of generating funds		7,284	8,893
Portage programmes	3	57,498	107,197
Governance costs	4	72	72
Total resources expended		<u>64,854</u>	<u>116,162</u>
Net incoming resources		<u>18,160</u>	<u>(29,042)</u>
		£	£
Reconciliation of Funds			
Total funds brought forward		44,109	73,151
Net incoming resources		18,160	(29,042)
Total funds carried forward		<u>62,269</u>	<u>44,109</u>

ThePromise
Company number: 04751873
Balance sheet as at 31st March 2014

		2014 £	2013 £
Fixed assets			
Tangible Assets	7	-	-
Current assets			
Debtors	8	2,685	2,421
Cash at bank and in hand		60,655	43,582
Total assets		63,340	46,003
Liabilities			
Creditors: amounts falling due within one year	9	1,071	1,894
Net assets		62,269	44,109
		£	£
The funds of the charity:			
Unrestricted income funds:			
General fund		62,269	44,109
Total charity funds	11	62,269	44,109

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2014.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 March 2014 in accordance with Section 476 of the Companies Act 2006.

ThePromise
Company number: 04751873
Balance sheet as at 31st March 2014 (continued)

The trustees acknowledge their responsibilities for:

- (a) ensuring that the charitable company keeps accounting records which comply with sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to the financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Trustees and signed on its behalf by:



Mrs Sarah Settelen – Trustee

Dated: 22 December 2014

ThePromise
Notes to the financial statements

1. Accounting Policies

(a) Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005) issued in March 2005, applicable Accounting Standards and the Companies Act 2006.

(b) Incoming Resources

Incoming resources are recognised in the Statement of Financial Activities when the charity is legally entitled to the income.

(c) Resources Expended (including grants payable)

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

(d) Fund Accounting

The general fund can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds are unrestricted funds designated for specific future expenditure at the discretion of the trustees.

(e) Foreign Exchange

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

(f) Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Computer equipment - 33% on cost

(g) Gifts in Kind

Donated gifts are recognised as income when the charity is legally entitled to the income.

The gifts are valued at a reasonable estimate of their value or at market values when available.

ThePromise
Notes to the accounts (continued)

2. Incoming resources

Investment income comprises bank interest of £83 (2013: £66) receivable during the year.

3. Analysis of total resources expended

a. Programme Activity

	Support costs £	Grant funding of activities £	Total £
Implementation of Portage programme	37,502	19,996	57,498

Support costs are general administrative expenditure relating directly to the portage programme which solely represents the one activity of the charity. Grants relate to payments to the Russian NGO 'Obeshenye' whose charitable purposes mirror that of ThePromise.

b. Costs of generating funds

	Incoming resources £	Associated expenses £	Total £
Donations	23,105	(292)	22,813
Trusts	33,000	(629)	32,371
Events	26,826	(6,363)	20,463
Total	82,931	(7,284)	75,647

ThePromise
Notes to the accounts (continued)

4. Governance costs

	2014	2013
	£	£
Memberships and Subscriptions	72	72
Trustee Expenses	-	-
	<u>72</u>	<u>72</u>

5. Personnel costs

	2014	2013
	£	£
Wages and Salaries	21,170	31,731
Social Security costs	<u>3,104</u>	<u>15,514</u>
	24,274	47,245

Average number of staff employed in the year

Portage programme (f/t)	-	-
Portage programme (p/t)	-	-
UK based staff (p/t)	2	2

No employees earned £60,000 per annum or more during the year or the preceding year.

6. Trustees

No Trustees received remuneration in respect of their services to the charity during the year (2013 - NIL).

Expenses of NIL were incurred by trustees in the year (2013 - NIL).

The Promise
Notes to the accounts (continued)

7. Tangible Assets

	Computer Equipment £	Total £
COST		
At 1 April 2013	2,186	2,186
Additions	-	-
At 31 March 2014	2,186	2,186
DEPRECIATION		
At 1 April 2013	2,186	2,186
Charge for year	-	-
At 31 March 2014	2,186	2,186
NET BOOK VALUE		
At 31 March 2014	-	-
At 31 March 2013	-	-

8. Debtors

	2014 £	2013 £
Trade debtors	210	-
Accrued income	2,475	2,421
	2,685	2,421

9. Creditors

	2014 £	2013 £
Trade creditors	260	1,294
Accruals	811	600
	1,071	1,894

ThePromise
Notes to the accounts (continued)

10. Capital Structure

ThePromise is a company limited by guarantee. The amount of the guarantee is £5 there being 5 guarantors of £1 each.

11. Funds

a) Fund movements

	At 1 April 2013	Incoming Resources	Outgoing Resources	At 31 March 2014
Unrestricted funds				
General fund	44,109	83,014	(64,854)	62,269
Total Funds	<u>44,109</u>	<u>83,014</u>	<u>(64,854)</u>	<u>62,269</u>

b) Analysis of funds

	Unrestricted funds £	Total £
Net current assets	62,269	62,269
	<u>62,269</u>	<u>62,269</u>

12. Gifts in kind

The charity receives free independent examiner's review, website development and maintenance support and design services for brochures which are not valued in the accounts on the grounds that it is not considered material to the charity.