



# *COVID-19 and recovery from a charity's perspective*

**SPEAKER: MARK SHADRACK, CHIEF OPERATING OFFICER, HOPE AND HOMES FOR CHILDREN**

**CHAIR: KRISTINA KOPIC, HEAD OF CHARITY AND VOLUNTARY SECTOR, ICAEW**

# COVID-19 and recovery from a charity's perspective

Mark Shadrack  
Chief Operating Officer



hope and homes  
for children

# My Journey



# Hope and Homes for Children: Why we exist



OVER  
**100**  
YEARS  
OF SCIENTIFIC RESEARCH  
SHOWS HOW  
ORPHANAGES  
**DAMAGE**  
**CHILDREN**

AN ESTIMATED  
**8** MILLION  
CHILDREN  
LIVE IN ORPHANAGES  
ACROSS THE WORLD

**80%**  
  
OF CHILDREN  
IN ORPHANAGES

HAVE A  
LIVING  
PARENT  
BUT ARE  
**ABANDONED**  
BECAUSE OF POVERTY,  
**DISABILITIES OR**  
**DISCRIMINATION**

# Hope and Homes for Children: What we do

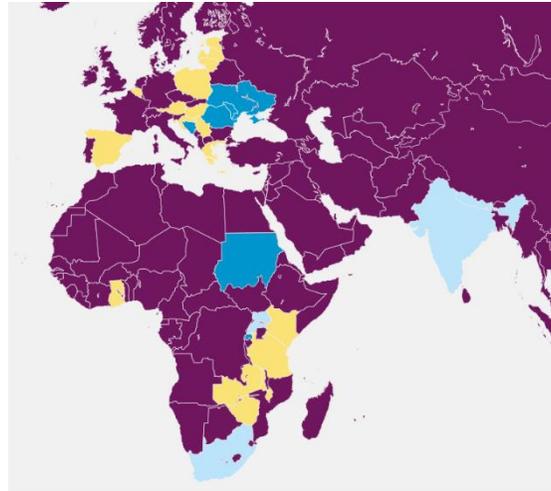


## Mission



To be the catalyst for the global elimination of the institutional care of children

## Operational Scope



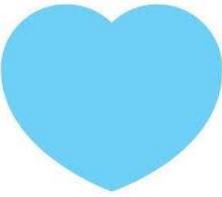
Countries of operation  
Countries of influence  
Global advocacy

## Our Work

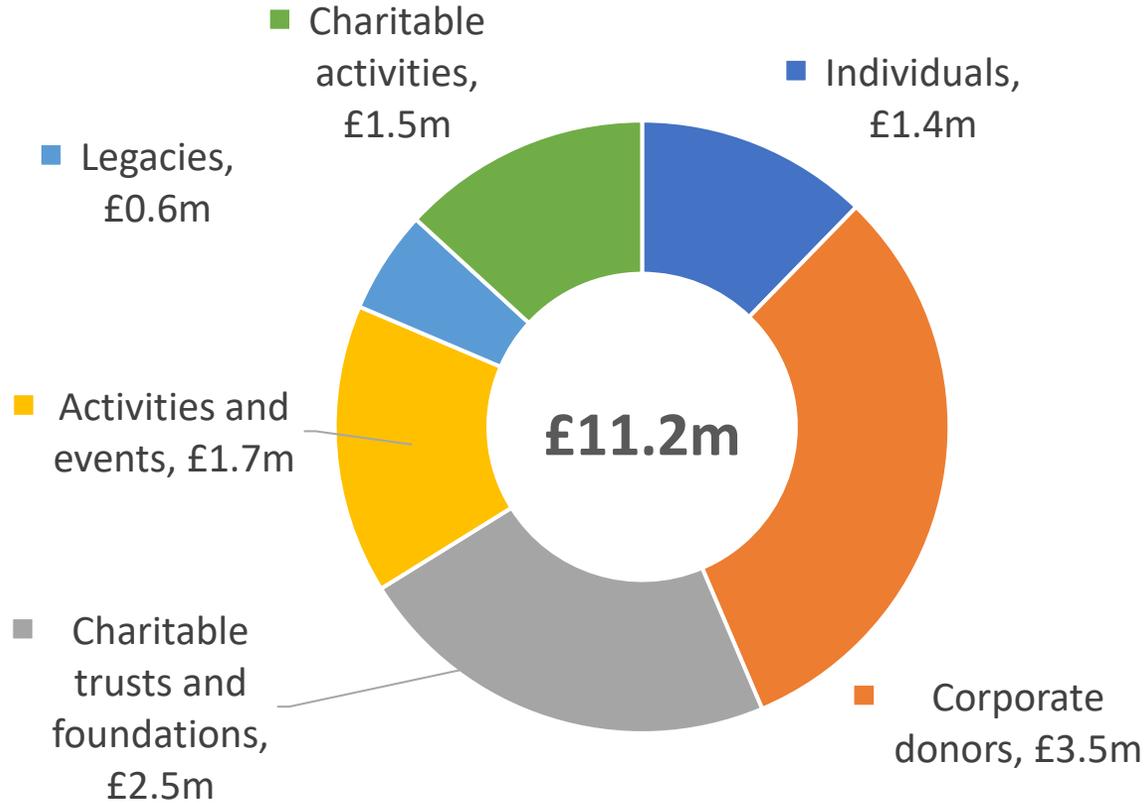


Keep families together  
Reunite families  
Build new families

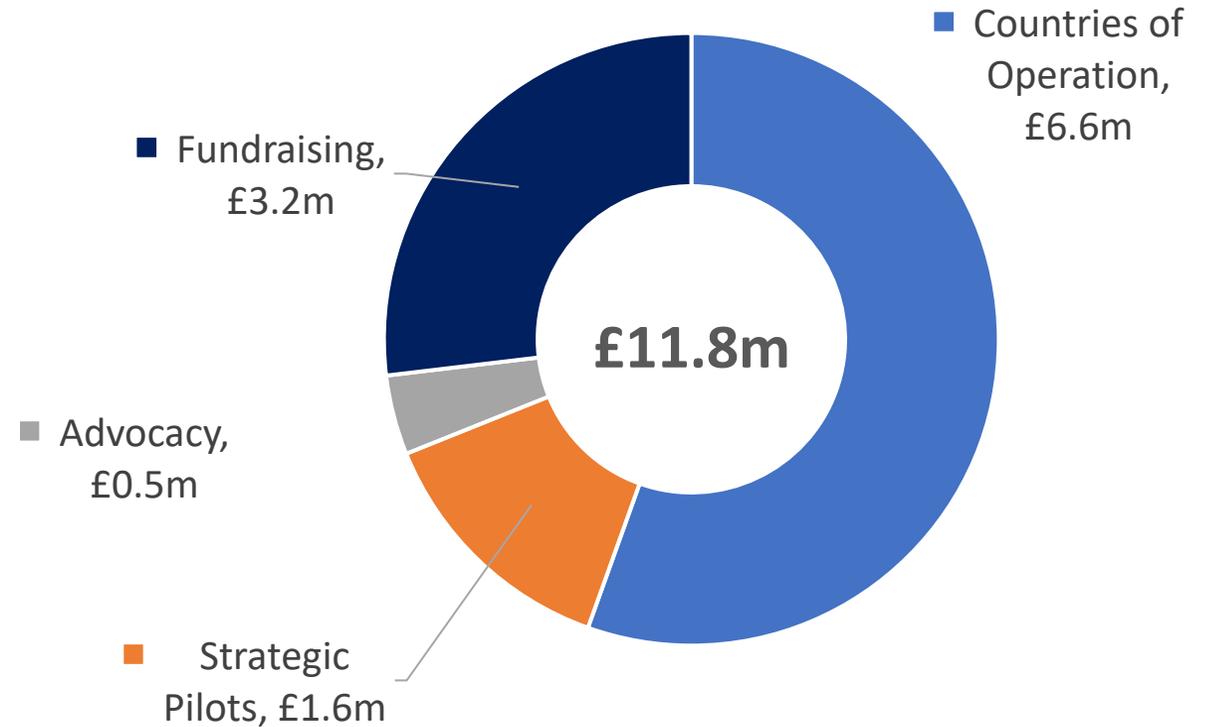
# Finances 2019



## Income: 100% Voluntary



## Expenditure: Long-term commitments

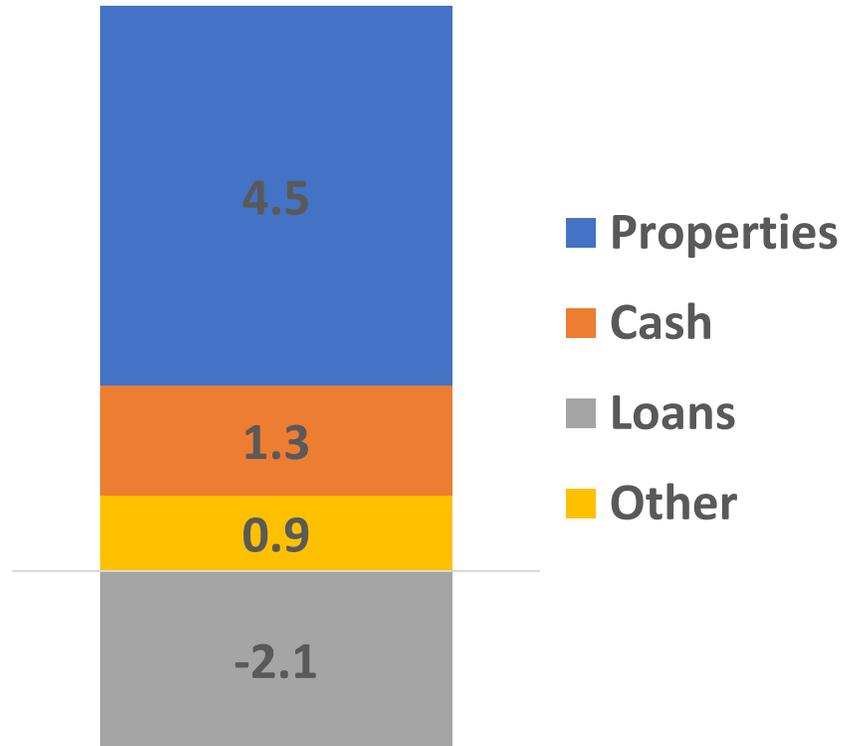


Note: Expenditure includes Support Costs of £0.8m allocated between the categories above

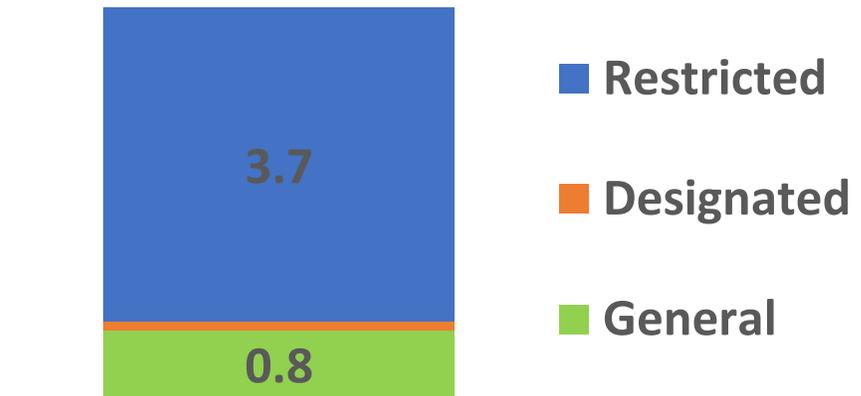
# Balance Sheet 31<sup>st</sup> December 2019



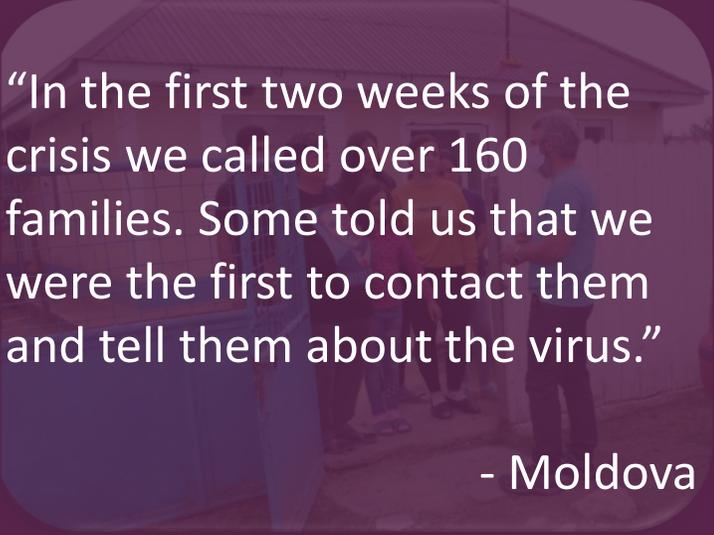
Net Assets £4.6m



Funds £4.6m

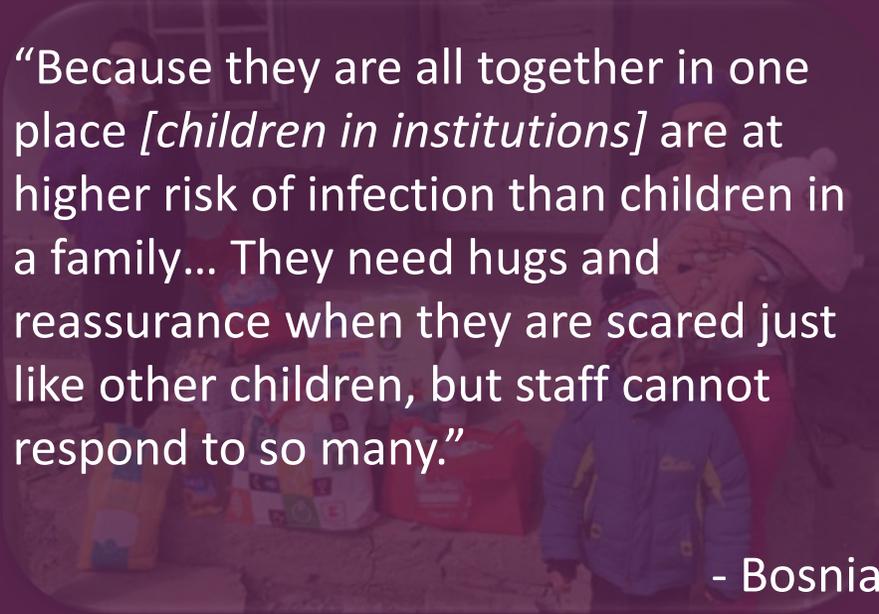


# Covid-19: A Humanitarian Crisis



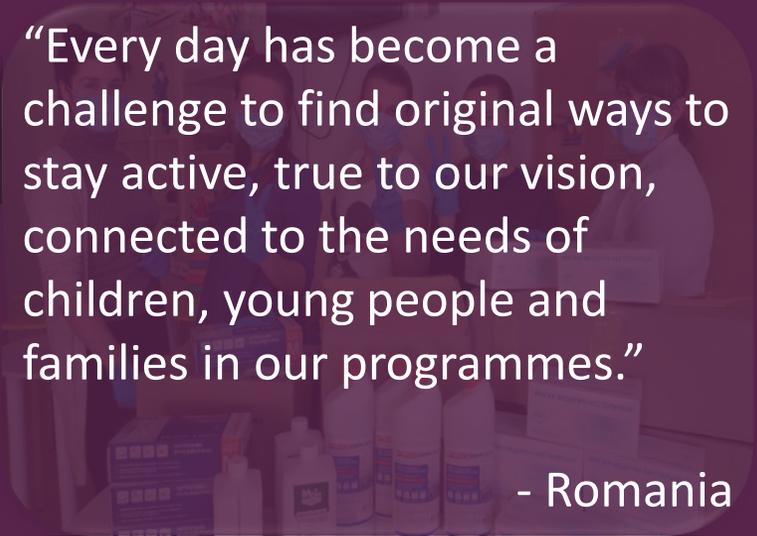
“In the first two weeks of the crisis we called over 160 families. Some told us that we were the first to contact them and tell them about the virus.”

- Moldova



“Because they are all together in one place [*children in institutions*] are at higher risk of infection than children in a family... They need hugs and reassurance when they are scared just like other children, but staff cannot respond to so many.”

- Bosnia



“Every day has become a challenge to find original ways to stay active, true to our vision, connected to the needs of children, young people and families in our programmes.”

- Romania

# COVID-19: Financial Impact



**£1.5m Income hit**



- **Third party & organised events cancelled**
- **Corporate partners significantly impacted**

# Actions



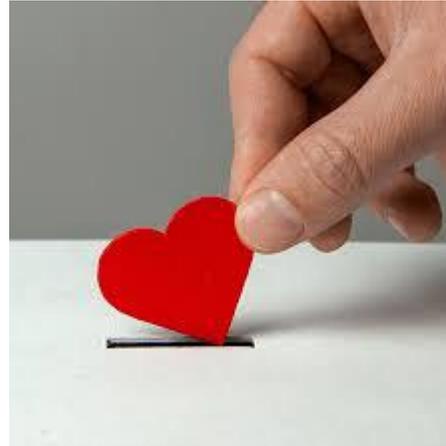
## Short-term cash



## Expenditure Controls

Monthly cash forecasts  
to Finance Committee

## Leverage Donor Relationships



Relevant, compelling  
narrative

## Innovate & Collaborate



New Opportunities

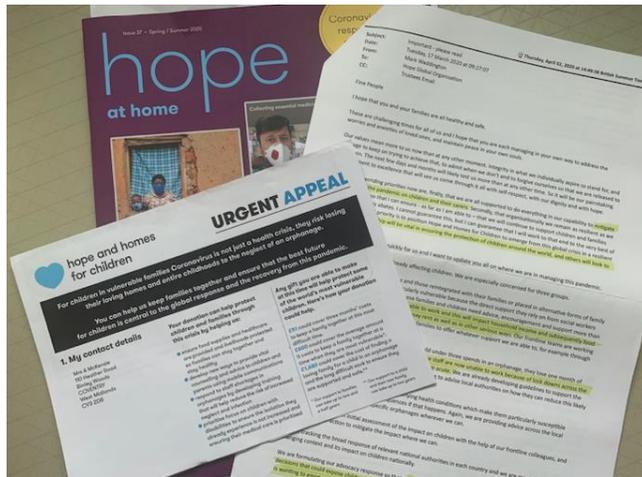
# Recovery Plan: Securing the short-term



Emergency appeal

Secure, pull forward, extend and de-restrict existing commitments

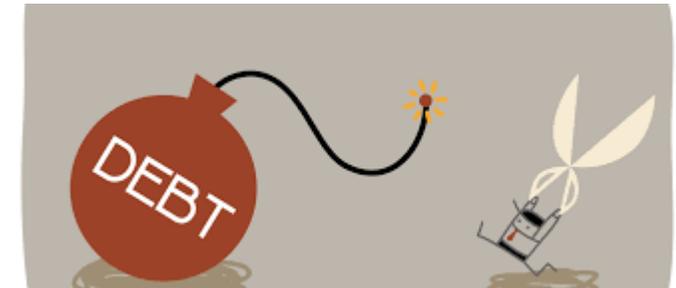
Restructure debt



ALLEN & OVERY



Department for International Development



RELX

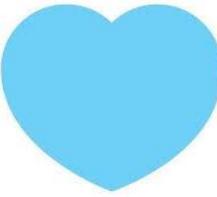


ST. JAMES'S PLACE  
WEALTH MANAGEMENT

# Spot the Difference



# Outcome



**Income £1.5m  
ahead of plan**



**Stronger  
Balance Sheet**

- Debt reduced to £1.4m, repayable over 10 years
- Cash forecast to be > £2m at year end

**Going Concern  
Review**

- 18-month cash flow scenarios & contingencies
- Board & auditor review



# But it's not over...

Second wave



Recession



Individual &  
Corporate giving

Institutional  
funding



...and it's a long haul



Wellbeing





# Looking Forward: Financial Sustainability

**A more focused  
portfolio**



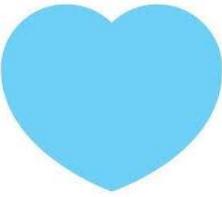
**A compelling  
proposition**

**Families are the  
foundation**

The global recovery from COVID-19 must be built on the foundations of strong, supported families.

**Funding pipeline &  
visibility**





# Reflections

- Crisis reframed as a catalyst for action
- Donor relationships a vital intangible asset
- Importance of forecasting quality & scenarios
- Communicate, communicate, communicate
- Maintaining wellbeing

Thank  
You!



hope and homes  
for children

# *If you have further questions, please visit:*

- ICAEW Global recovery: [www.icaew.com/insights/covid-19-global-recovery](http://www.icaew.com/insights/covid-19-global-recovery)
- ICAEW Coronavirus Hub: [www.icaew.com/coronavirus](http://www.icaew.com/coronavirus)
- Direct enquiries: [www.icaew.com/contact-us/helplines-and-support](http://www.icaew.com/contact-us/helplines-and-support)
- Feedback / Insights: <https://r1.dotmailer-surveys.com/bb41f58a-124mcd1d>
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