



HANDS OF COMPASSION CHARITABLE FOUNDATION
FINANCIAL STATEMENTS AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

Registered Charity no. 1124423

The Hands of Compassion Charitable Foundation presents its annual report and financial statements (which have been independently examined) for the year ended 31 December 2017.

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**Reference and Administrative details of Hands of Compassion Charitable Foundation,
its Trustees and Advisors**

Charity Name: Hands of Compassion Charitable Foundation
(Also known as Hands of Compassion)

Registered Charity No.: 1124423

Principal Office: c/o Rochester Diocesan Office
St Nicholas Church
Boley Hill
Rochester
Kent ME1 1SL

Trustees: Mrs Wendy Ray, Chairperson
Mrs Sue Algeo
Mrs Kate Hart Dyke wef.26 October 2017
Mrs Carolyn Asplin wef.26 October 2017

Revd. John Kafwanka Kaoma resigned wef.23 January 2017
Mr Gary Taylor resigned wef.23 January 2017
Revd. Nigel Bourne resigned wef.31 March 2017

Independent Examiner: Gilbert Allen & Co.,
Chartered Accountants
Churchdown Chambers
Bordyke
Tonbridge Kent TN9 1NR

Bankers: HSBC
9 Rose Lane
Canterbury CT1 2JP

Solicitor: Mr Phillip Norton
Hansells
13 The Close
Norwich
NR1 4DS

Website: www.handsofcompassion.org.uk

Trustees' Report

Structure, Governance and Management

The Hands of Compassion Charitable Foundation is a registered charity and is governed by a Trust Deed dated April 1st 2008.

Purpose

Inspired by Christian principles, our Mission is to bring hope through education to orphaned and vulnerable children in Zambia and other countries in Sub Saharan Africa.

How this is achieved:

Hands of Compassion Charitable Foundation is a Christian organisation which is passionate about showing God's love, hope and transformation in children's lives.

Our mission is to advance the education of orphaned and vulnerable children and young people by providing assistance to existing school facilities up to Grade Seven in Zambia and any future beneficiary educational establishment in Zambia and other countries in Sub Saharan Africa. We also aim to support a few pupils who have demonstrated exceptional academic ability from Hands of Compassion School who move on to Grades Eight to Twelve at Government Secondary School through the provision of scholarships. In addition we will consider supporting pupils moving on to full time tertiary education at University or Training College.

By providing a Christian education, we hope to enable children to develop their full potential and become self-sufficient after leaving school. This will enable them to seize hold of employment opportunities and will improve their quality of life.

As a Christian foundation, we believe that we should provide education to all in need regardless of their race, religion or nationality. At the same time the development of Christian values underpins all aspects of our work both in UK and in the schools we support in Zambia. We also encourage partnership in prayer from all our supporters.

Organisation and decision making structure

There are currently four Trustees, one of whom is Honorary Director, who meet approximately three to four times a year to consider all aspects of the charity's activities and to monitor progress on the charity's business plan. This plan helps Trustees to work towards a shared and sustainable vision, agreeing priorities and appropriate activities to achieve these.

Communication with supporters and interested parties is conducted through tailored mailing, email, newsletter distributed three times a year and website.

Trustee induction

Prospective trustees are invited to attend a Board meeting as an observer before appointment. Following election as a Trustee, an induction session is held including explanations of the roles and responsibilities of trustees and directors.

Major Risks Statement

During the year the Charity has reviewed the major strategic, business and operational risks which it faces. Various risks were identified in the following areas:

- (a) Staffing
- (b) Reputational
- (c) Governance (e.g. not complying with legal requirements).
- (d) Financial

These risks are monitored at Board meetings and constantly kept under review.

The Board

The charity is governed by a Board of Trustees, including an Honorary Director. Those who served during the year are set out on page 3 of this report. Trustees (including the Honorary Director) are unremunerated but can claim for reasonable expenses.

Trustees' Responsibilities

The Trustees prepare financial statements for each financial year which give a financial view of the state of affairs of the Charity and of the surplus or deficit of the Charity for that period. In preparing those financial statements the Trustees have:-

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that are reasonable and prudent;
- Stated whether all applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepared the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

Declaration by the charity Trustees in relation to the independent examination:

- So far as each Trustee is aware, there is no relevant information, defined as "information needed by the charity's independent examiner in connection with preparing their report", of which the charity's independent examiner is unaware; and
- Each Trustee has taken all steps that he or she ought to have taken to make themselves aware of any relevant matters and to ensure that the Charity's independent examiner is aware of such information. Such steps include making inquiries of other Trustees and other steps required by the Trustee's duty to exercise due care and skill.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Charity and their proper application in accordance with Charity law and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Objectives & Activities

Hands of Compassion who had been supporting one school in Chipulukusu, Zambia for seventeen years, wished to start reducing support to that school and move on to help other educational establishments. Authority was granted by the Charity Commission to amend the Objects of the Charity's Trust Deed. A supplemental Trust Deed was subsequently drawn up stating that the objectives of Hands of Compassion are to advance the education of orphaned and vulnerable children and young people at any educational establishment in Sub Saharan Africa, thus enabling them to improve their quality of life and employment opportunities; to promote awareness of health information and social care in relation to HIVAIDS, TB, Malaria and other diseases through women's groups and other educational programmes; to advance religion and develop Christian values.

Grant Making Policy

Much of the grants awarded by the Charity are costs in Zambia helping those with insufficient funds to operate independently.

The Charity receives funds from individuals, Churches and Grant making Trusts, mainly to use towards the provision of education, development of the school and teachers, and outreach purposes.

Achievements & Performance

The total number of beneficiaries in 2017 was 486 pupils at Hands of Compassion School, plus 74 sponsored at Government Secondary School and 2 sponsored in Higher/Further Education. These numbers represent approx. 1.4% increase on 2016.

Pupils at Hands of Compassion School

Grade	Boys	Girls	Total No of Children 2017	Total No of Children 2016	Total No: of Children 2015
Early Childhood	17	24	41	55	50
Grade One	19	21	40	65	48
Grade Two	21	25	46	50	48
Grade Three	20	28	48	60	59
Grade Four	24	34	58	68	53
Grade Five	60	30	90	92	74
Grade Six	47	42	89	91	49
Grade Seven	26	48	74	50	41
Total	234	252	486	531	422

Sponsored Pupils at Government School

Grade	Boys	Girls	Total 2017	Total 2016	Total 2015
Grade Eight	24	12	36	19	29
Grade Nine	13	7	20	7	26
Grade Ten	4	3	7	8	10
Grade Eleven	7	1	8	3	2
Grade Twelve	1	2	3	0	0
Total	49	25	74	37	67

The Executive School Management continued applying a policy that parents / guardians should be asked to make a contribution towards the cost of school fees for their pupils sponsored at Government School in Grades Eight to Twelve. These contributions were made on the assessed criteria of economic background, academic ability and school attendance/behaviour of the pupil. In all, 46 pupils passed the Government Grade Seven examinations taken in November 2016: we were able to sponsor 36 of them to commence Grade Eight in January 2017.

Higher / Further Education

In addition, we continue to support two of our former pupils who have proceeded to Higher / Further Education, with our sponsorship. Paul completed his third year and successfully obtained a Degree in Biomedical Science. He is now continuing in his fourth year at University, the second stage of his study which covers 4 years to become a Doctor.

Abbishy has completed his third year at Teachers Training College specialising in Mathematics and Agricultural Science with the last remaining year being in 2018. Abbishy was appointed Head Student for the College.

Paul and Abbishy are two of our first pupils to start at Hands of Compassion School seventeen years ago. Through education offered at Hands of Compassion School, children like Paul and Abbishy have developed skills that will give them hope and an education which is changing their lives. Other

pupils have found employment opportunities within Finance, Administration and Retail areas of business.

Teacher Training

Two more teachers achieved a Diploma in Primary Teaching by Distance learning, and one teacher is undertaking his studies to gain a Diploma.

Examination Centre Accreditation

Hands of Compassion school was accredited by the Ministry of Education to become an Examination Centre and so the Grade 7 pupils were able to sit the Government examination at the school.

Monitoring, evaluation and forward strategy

The Honorary Director made two visits during the year to Hands of Compassion School in Zambia. The objective was to meet representatives of the School Management Committee in Zambia, the District Education Board, Parents' Community School Committee and Teachers in order to address the concerns UK Trustees had over mismanagement of finance at the school and as a consequence, funding was reduced to await a full report from the school manager.

During the year, reports on expenditure were received monthly from Zambia which were scrutinised and the performance of the school manager was causing increasing concern. Despite warnings, there was no improvement and consequently funding was completely withdrawn in September 2017.

In November 2017 a new executive school management committee was appointed by the local community, who at the same time dismissed the school manager. The UK Trustees agreed to give a small grant to help, the first part of which was made in December 2017.

Investment policy and performance

Cash is currently invested by the Charity in order to provide funding for the Zambian projects. This is achieved by investing as far as possible, in accordance with the ethical investment policy of the Charity.

Financial review

The Statement of Financial Activity shows income from donations of £31,062 (2016: £41,985), a decrease of £9,923. £590 was also raised through specific fundraising activities compared to £5,737 in 2016.

The Resources expended for the year total £48,136 (2016: £50,740). This is £2,604 less than 2016.

Reserves Policy

The Charity needs reserves to enable it to progress to completion both its long term projects and to protect its current activities, in order to allow the Charity to meet its responsibilities and ensure that it continues to operate on a going concern basis. The Charity has examined the needs, risks and challenges faced in both the short and medium term, along with relevant financial forecasts and has formulated a policy to meet those needs, which are satisfied by the level of reserves at the balance sheet date.

The reserves policy is to hold between 3 months' and 6 months' of budgeted income for UK expenditure. The previous policy to hold 1 year 's operating expenses for the Hands of Compassion school in Zambia no longer applied, after regular funding was withdrawn in September 2017.

In addition the current reserves policy is now to hold 1 year's operating expenses for supporting the two former pupils in tertiary education. This relatively high level of reserves retained is based on the risk of their educational studies being curtailed before completion.

Plans for future periods

The Charity's planning incorporates the examining of accountability and value for money in responding to the escalating needs of the orphaned children in Zambia. The Charity is a small organisation but has very close personal links with Hands of Compassion School in Zambia, and hope to build links with other potential schools projects who apply to Hands of Compassion Charitable Foundation for funding.

HIV AIDS continues to create thousands of orphaned children in Zambia. The Trustees believe education is vital to breaking the cycle of poverty.

Having celebrated 17 years of successful development, in the coming year, the charity's aims are:

- To continue providing advice and support to the school management of Hands of Compassion school to help its future sustainability.
- To monitor educational progress of those pupils from Hands of Compassion school who are granted a scholarship to attend Government school and the performance of two sponsored pupils in Higher Education at University and Teacher's Training College.
- To strengthen risk and financial management in the UK and to develop and maintain a diverse, effective group of trustees.
- To consider applications for funding and make grants to small developmental projects at other existing schools in Zambia and possibly schools in other countries in Sub Saharan Africa

By Order of the Board



Chair of the Trustees

9 February 2018

**HANDS OF COMPASSION CHARITABLE FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2017**

		Unrestricted funds	Restricted funds	2017 total	2016 total
	Notes				
Incoming resources					
Income from donations and legacies					
Donations		26,065	720	26,785	35,567
Gift aid		4,277	-	4,277	5,418
		<u>30,342</u>	<u>720</u>	<u>31,062</u>	<u>40,985</u>
Income from other trading activities					
Sponsorship		-	-	-	-
Fundraising		590	-	590	5,737
		<u>590</u>	<u>-</u>	<u>590</u>	<u>5,737</u>
Income from investments					
Bank interest		286	-	286	319
TOTAL INCOMING RESOURCES		<u>31,218</u>	<u>720</u>	<u>31,938</u>	<u>47,041</u>
RESOURCES EXPENDED					
Expenditure on raising funds					
Publicity		2,958	-	2,958	1,315
Expenditure on charitable activities					
Grants to HOC Zambia	2	34,700	720	35,420	42,409
Zambia visit expenses		6,997	-	6,997	3,546
Support costs	4	2,761	-	2,761	3,470
		<u>44,458</u>	<u>720</u>	<u>45,178</u>	<u>49,425</u>
TOTAL RESOURCES EXPENDED		<u>47,416</u>	<u>720</u>	<u>48,136</u>	<u>50,740</u>
NET INCOME/(EXPENDITURE)		-16,198	-	-16,198	-3,699
Total funds brought forward		81,262	-	81,262	84,961
TOTAL FUNDS CARRIED FORWARD		<u>65,064</u>	<u>-</u>	<u>65,064</u>	<u>81,262</u>

**HANDS OF COMPASSION CHARITABLE FOUNDATION
BALANCE SHEET
YEAR ENDED 31 DECEMBER 2017**

	Notes	Unrestricted funds	Restricted funds	2017 total	2016 total
CURRENT ASSETS					
Debtors	5	853	-	853	3,690
Bank	6	65,063	-	65,063	78,412
		<u>65,916</u>	<u>-</u>	<u>65,916</u>	<u>82,102</u>
CURRENT LIABILITIES					
Creditors: Amounts falling due within one year	7	852	-	852	840
NET CURRENT ASSETS		<u>65,064</u>	<u>-</u>	<u>65,064</u>	<u>81,262</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		65,064	-	65,064	81,262
NET ASSETS		<u><u>65,064</u></u>	<u><u>-</u></u>	<u><u>65,064</u></u>	<u><u>81,262</u></u>
FUNDS					
Unrestricted funds	8			65,064	81,262
Restricted funds	8			-	-
				<u>65,064</u>	<u>81,262</u>

Approved by the trustees on: 9 February 2018

Signed



**HANDS OF COMPASSION CHARITABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017**

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

a Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

b Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

c Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work.

d Grants

Grants and donations made by the charity are treated as expenditure when they are paid.

2. CHARITABLE AND OTHER DONATIONS

All grants are made to the Hands of Compassion Centre in Zambia to support a community school for orphaned and vulnerable children in Chipulukusu, providing free primary education to 486 children and a further 74 children sponsored up to grade 12 (2016: 531 and 37 respectively).

3. TRUSTEES REMUNERATION

There were no trustees who received remuneration during the year (2016 nil).

HANDS OF COMPASSION CHARITABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017

4.	SUPPORT COSTS		2017	2016		
			£	£		
	Office costs		1,545	2,165		
	Insurance		364	465		
	Independent examiners fee		852	840		
			<u>2,761</u>	<u>3,470</u>		
5.	DEBTORS		2017	2016		
			£	£		
	Debtors - gift aid		853	1,642		
	Prepayments - visit expenses		-	2,048		
			<u>853</u>	<u>3,690</u>		
6.	CASH AT BANK AND IN HAND		Unrestricted funds	Restricted funds	2017 total	
			£	£	£	
	Bank current account		2,031	-	2,031	
	Bank savings account		26,493	-	26,493	
	Bank deposit accounts		36,283	-	36,283	
	Cash in hand		78	-	78	
	Foreign currency cash in hand		178	-	178	
			<u>65,063</u>	<u>-</u>	<u>65,063</u>	
					<u>78,412</u>	
7.	CREDITORS		2017	2016		
			£	£		
	Other creditors		852	840		
8.	FUND MOVEMENTS					
		Brought forward	Income	Expenditure	Transfers	Carried forward
	Fund					
	Unrestricted funds					
	General fund	81,262	31,218	-47,416	-	65,064
	Restricted funds					
	Pupils sponsorship	-	720	-720	-	-
	Total	<u>84,961</u>	<u>47,041</u>	<u>-50,740</u>	<u>-</u>	<u>81,262</u>

Independent examiner's report to the trustees of Hands of Compassion Charitable Foundation

I report to the trustees on my examination of the accounts of the Hands of Compassion Charitable Foundation for the year ended 31st December 2017.

Responsibilities and basis of report

As the charity trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

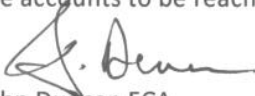
I report in respect of my examination of the Foundation's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

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

1. accounting records were not kept in respect of the Foundation as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.



9.2.18

John Duncan FCA

For and on behalf of Gilbert Allen & Co Chartered Accountants
Churchdown Chambers
Bordyke
Tonbridge
Kent
TN9 1NR