



HANDS OF COMPASSION CHARITABLE FOUNDATION
FINANCIAL STATEMENTS AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

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 2018.

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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 Kate Hart Dyke
Mrs Carolyn Asplin

Mrs Sue Algeo resigned wef. 26 March 2018

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, and further Supplemental Deed dated 28 August 2017.

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 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 three 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) Reputational
- (b) Governance (e.g. not complying with legal requirements).
- (c) 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

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 HIV/AIDS, 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 and development of resources at schools.

Achievements & Performance

The total number of beneficiaries in 2018 was 600 pupils at Hands of Compassion School, plus 5 pupils awarded scholarship at Government Secondary School and 2 sponsored in Higher/Further Education.

In addition a further 360 pupils benefited at St Agness Church Primary School and 1 individual boy from financial support to enable him to repeat one semester at University in 2019.

Higher / Further Education

In addition, we continued to support two of our former pupils who have proceeded to Higher / Further Education, with our sponsorship. Paul is now continuing in his fifth year at University, the second stage of his study with two more years to complete before he becomes a Doctor.

Abbishy has completed his fourth and last year at Teachers Training College specialising in Mathematics and Agricultural Science.

Paul and Abbishy are two of our first pupils to start at Hands of Compassion School eighteen years ago. Other pupils such as Binwell and Yvonne have since become teachers. Through education offered at Hands of Compassion School, children 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.

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 initially meet representatives of the local community and staff at Hands of Compassion School with a view to identifying the best way forward for the school in terms of sustainability. Upon their agreement, in September 2018 Hands of Compassion school was then handed over to the Zambian Ministry of Education for the Government to manage.

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 Receipts and Payments schedule shows incoming resources of £22,996 (2017: £31,062), a decrease of £8,722. £445 was also raised through specific fundraising activities compared to £590 in 2017.

The Resources expended for the year total £32,136 (2017: £48,136). This is £16,000 less than 2017.

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.

HANDS OF COMPASSION CHARITABLE FOUNDATION
TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

In addition the current reserves policy is now to hold 2 year's operating expenses for supporting the former pupil in tertiary education. This relatively high level of reserves retained is based on the risk of his educational studies being curtailed before completion.

Plans for future periods

During May 2018, the charity's bank provider, HSBC, began a Safeguarding Review as part of their national Safeguarding strategy on business accounts. Although all requested information has been promptly provided, we are still awaiting the outcome. In August HSBC gave notice to potentially close the bank accounts in October.

Given this uncertainty with potentially no bank account for the charity to operate, the Trustees had no alternative but to pass a resolution to close the charity.

However, no action has yet been taken to effect dissolution procedures as HSBC accounts are still open as at 31 December 2018. It is hoped that HSBC will look favourably and lift the threat of closure of accounts. In January 2019, HSBC confirmed that the accounts are now fully operational following satisfactory completion of their Review.

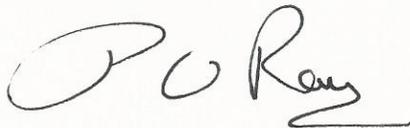
Meanwhile the Charity's planning incorporates the examining of accountability and value for money in responding to the escalating needs of the orphaned children in Zambia. The Charity is a small organisation but has very close personal links with the Anglican Diocese of Central Zambia, with whom it is hoped 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 18 years of successful development, in the coming year, the charity's aims are:

- To continue providing advice and support to St Agness Church Primary school until the promised financial support is completed.
- To monitor educational progress of the performance of the sponsored pupil at University.
- 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

13 February 2019

**HANDS OF COMPASSION CHARITABLE FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2018**

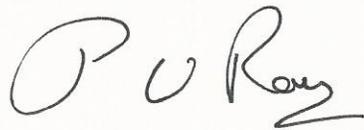
		Unrestricted funds	Restricted funds	2018 total	2017 total
	Notes				
Incoming resources					
Income from donations and legacies					
Donations		16,012	2,940	18,952	26,785
Gift aid		3,388	-	3,388	4,277
		<u>19,400</u>	<u>2,940</u>	<u>22,340</u>	<u>31,062</u>
Income from other trading activities					
Sponsorship		-	-	-	-
Fundraising		445	-	445	590
		<u>445</u>	<u>-</u>	<u>445</u>	<u>590</u>
Income from investments					
Bank interest		211	-	211	286
TOTAL INCOMING RESOURCES		<u>20,056</u>	<u>2,940</u>	<u>22,996</u>	<u>31,938</u>
RESOURCES EXPENDED					
Expenditure on raising funds					
Publicity		1,409	-	1,409	2,958
Expenditure on charitable activities					
Grants to HOC Zambia	2	15,900	2,940	18,840	35,420
Zambia visit expenses		7,217	-	7,217	6,997
Support costs	4	4,670	-	4,670	2,761
		<u>27,787</u>	<u>2,940</u>	<u>30,727</u>	<u>45,178</u>
TOTAL RESOURCES EXPENDED		<u>29,196</u>	<u>2,940</u>	<u>32,136</u>	<u>48,136</u>
NET INCOME/(EXPENDITURE)		-9,140	-	-9,140	-16,198
Total funds brought forward		65,064	-	65,064	81,262
TOTAL FUNDS CARRIED FORWARD		<u>55,924</u>	<u>-</u>	<u>55,924</u>	<u>65,064</u>

**HANDS OF COMPASSION CHARITABLE FOUNDATION
BALANCE SHEET
YEAR ENDED 31 DECEMBER 2018**

	Notes	Unrestricted funds	Restricted funds	2018 total	2017 total
CURRENT ASSETS					
Debtors	5	17,827	-	17,827	853
Bank	6	38,961	-	38,961	65,063
		<u>56,788</u>	<u>-</u>	<u>56,788</u>	<u>65,916</u>
CURRENT LIABILITIES					
Creditors: Amounts falling due within one year	7	864	-	864	852
NET CURRENT ASSETS		<u>55,924</u>	<u>-</u>	<u>55,924</u>	<u>65,064</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>55,924</u>	<u>-</u>	<u>55,924</u>	<u>65,064</u>
NET ASSETS		<u><u>55,924</u></u>	<u><u>-</u></u>	<u><u>55,924</u></u>	<u><u>65,064</u></u>
FUNDS					
Unrestricted funds	8			55,924	65,064
Restricted funds	8			-	-
				<u>55,924</u>	<u>65,064</u>

Approved by the trustees on: 13 February 2019

Signed



**HANDS OF COMPASSION CHARITABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018**

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 (2017: 486 and 74 respectively).

3. TRUSTEES REMUNERATION

There were no trustees who received remuneration during the year (2017 nil).

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YEAR ENDED 31 DECEMBER 2018

4.	SUPPORT COSTS		2018	2017		
			£	£		
	Office costs		2,390	1,405		
	UK travel		1,016	140		
	Insurance		400	364		
	Independent examiners fee		864	852		
			<u>4,670</u>	<u>2,761</u>		
5.	DEBTORS		2018	2017		
			£	£		
	Gift aid		488	853		
	W Ray temporary bank account		17,339	-		
			<u>17,827</u>	<u>853</u>		
6.	CASH AT BANK AND IN HAND		Unrestricted funds	Restricted funds	2018 total	
			£	£	£	
	Bank current account		1,029	-	1,029	
	Bank savings account		37,004	-	37,004	
	Bank deposit accounts		-	-	-	
	Cash in hand		326	-	326	
	Foreign currency cash in hand		602	-	602	
			<u>38,961</u>	<u>-</u>	<u>38,961</u>	
					<u>65,063</u>	
7.	CREDITORS		2018	2017		
			£	£		
	Other creditors		864	852		
8.	FUND MOVEMENTS					
		Brought forward	Income	Expenditure	Transfers	Carried forward
	Fund					
	Unrestricted funds					
	General fund	65,064	20,056	-29,196	-	55,924
	Restricted funds					
	Pupils sponsorship	-	2,940	-2,940	-	-
	Total	<u>65,064</u>	<u>22,996</u>	<u>-</u>	<u>32,136</u>	<u>55,924</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 2018.

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.



14.2.19

John Duncan FCA

For and on behalf of Gilbert Allen & Co Chartered Accountants
Churchdown Chambers
Bordyke
Tonbridge