



HANDS OF COMPASSION CHARITABLE FOUNDATION
FINANCIAL STATEMENTS AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019.

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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 East Lodge
Station Road
Westbury sub Mendip
Wells
Somerset BA5 1EY

Trustees: Mrs Wendy Ray, Chairperson
Mrs Carolyn Asplin
Rev David Izzard appointed 27 August 2019
Francis Tamba appointed 28 September 2019
Rev Philip Denison appointed 30 November 2019

Mrs Kate Hart Dyke resigned wef.1 December 2019

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 five 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 effectively.

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

During the year, a grant was provided to build 4 girl pupil and 4 boy pupil toilets at St Agness Church Primary School. In addition a further grant was given to complete an additional block of two classrooms at the school. St Agness Church Primary School is situated in a rural area, and many of the 360 pupils have to walk several miles each day from their village. Working alongside the teaching staff and members of the local community, Hands of Compassion was able to provide financial support and advice.

Hands of Compassion works in partnership with the Anglican Diocese of Central Zambia and during the year, was able to work with another church, St Paul's Church, Kawama who wish to start building a primary school to provide education for local children. We were able to help their executive committee with advice on how to raise sufficient money to build the slab foundation, after which Hands of Compassion will then consider providing a grant towards the cost of super structure and roofing, hopefully in 2020.

Higher / Further Education

We continued to support one of our former pupils, Paul who started at Hands of Compassion School nineteen years ago. Paul has now commenced his sixth year at the University's Faculty of Medicine, with one further year to complete before he qualifies as a Doctor.

In addition, we sponsored one other boy, Leonard to enable him to repeat one semester at another University.

In 2000, Hands of Compassion set up and supported a Community School where children have developed skills that will give them hope and an education which is changing their lives. Many pupils have found employment opportunities within Teaching, Finance, Administration and Retail areas of business.

Monitoring, evaluation and forward strategy

The Honorary Director made two visits during the year to both St Agness Church Primary School and St Paul's Church, Kawama in Zambia. The objective was to meet representatives of the local community and staff at St Agness Church Primary School with a view to monitoring how the building project had progressed, give advice and evaluate their needs.

By working in partnership with the Anglican Diocese of Central Zambia, we can identify other schools with needs in the future.

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 Activities shows incoming resources of £26,510 (2018: £22,996), an increase of £3,514.

The Resources expended for the year total £34,002 (2018: £32,136). This is £1,866 more than 2018.

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.

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 2019, the charity's bank provider, HSBC, began their Annual Safeguarding Review as part of their national Safeguarding strategy on business accounts. Information was provided and as a result HSBC have confirmed their Review is complete and acceptable.

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 we can 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 19 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

8 February 2020

HANDS OF COMPASSION CHARITABLE FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2019

		Unrestricted funds	Restricted funds	2019 total	2018 total
	Notes				
Incoming resources					
Income from donations and legacies					
Donations		20,834	1,108	21,942	18,952
Gift aid		4,495	-	4,495	3,388
		<u>25,329</u>	<u>1,108</u>	<u>26,437</u>	<u>22,340</u>
Income from other trading activities					
Sponsorship		-	-	-	-
Fundraising		-	-	-	445
		<u>-</u>	<u>-</u>	<u>-</u>	<u>445</u>
Income from investments					
Bank interest		73	-	73	211
		<u>73</u>	<u>-</u>	<u>73</u>	<u>211</u>
TOTAL INCOMING RESOURCES		<u>25,402</u>	<u>1,108</u>	<u>26,510</u>	<u>22,996</u>
RESOURCES EXPENDED					
Expenditure on raising funds					
Publicity		2,508	-	2,508	1,409
Expenditure on charitable activities					
Grants to HOC Zambia	2	19,862	1,108	20,970	18,840
Zambia visit expenses		5,239	-	5,239	7,217
Support costs	4	5,285	-	5,285	4,670
		<u>30,386</u>	<u>1,108</u>	<u>31,494</u>	<u>30,727</u>
TOTAL RESOURCES EXPENDED		<u>32,894</u>	<u>1,108</u>	<u>34,002</u>	<u>32,136</u>
NET INCOME/(EXPENDITURE)		-7,492	-	-7,492	-9,140
Total funds brought forward		55,924	-	55,924	65,064
TOTAL FUNDS CARRIED FORWARD		<u>48,432</u>	<u>-</u>	<u>48,432</u>	<u>55,924</u>

HANDS OF COMPASSION CHARITABLE FOUNDATION
BALANCE SHEET
YEAR ENDED 31 DECEMBER 2019

	Notes	Unrestricted funds	Restricted funds	2019 Total	2018 Total
CURRENT ASSETS					
Debtors	5	8,765	-	8,765	17,827
Bank	6	40,543	-	40,543	38,961
		<u>49,308</u>	<u>-</u>	<u>49,308</u>	<u>56,788</u>
CURRENT LIABILITIES					
Creditors: Amounts falling due within one year	7	876	-	876	864
NET CURRENT ASSETS		<u>48,432</u>	<u>-</u>	<u>48,432</u>	<u>55,924</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		48,432	-	48,432	55,924
NET ASSETS		<u>48,432</u>	<u>-</u>	<u>48,432</u>	<u>55,924</u>
FUNDS					
Unrestricted funds	8			48,432	55,924
Restricted funds	8			-	-
				<u>48,432</u>	<u>55,924</u>

Approved by the trustees on: 8 February 2020

Signed

P O Ray

Chairperson

**HANDS OF COMPASSION CHARITABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019**

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 (2018 nil).

HANDS OF COMPASSION CHARITABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019

4.	SUPPORT COSTS		2019	2018		
			£	£		
	Office costs		2,468	2,390		
	Legal fees		1,176	-		
	UK travel		356	1,016		
	Insurance		409	400		
	Independent examiners fee		876	864		
			<u>5,285</u>	<u>4,670</u>		
5.	DEBTORS		2019	2018		
			£	£		
	Gift aid		464	488		
	W Ray temporary bank account		8,301	17,339		
			<u>8,765</u>	<u>17,827</u>		
6.	CASH AT BANK AND IN HAND		Unrestricted funds	Restricted funds	2019 total	
			£	£	2018 total	
	Bank current account		1,415	-	1,415	
	Bank savings account		38,577	-	38,577	
	Bank deposit accounts		-	-	-	
	Cash in hand		212	-	212	
	Foreign currency cash in hand		339	-	339	
			<u>40,543</u>	<u>-</u>	<u>40,543</u>	
					<u>38,961</u>	
7.	CREDITORS		2019	2018		
			£	£		
	Other creditors		876	864		
8.	FUND MOVEMENTS					
		Brought forward	Income	Expenditure	Transfers	Carried forward
	Fund					
	Unrestricted funds					
	General fund	55,924	25,402	-32,894	-	48,432
	Restricted funds					
	Pupils sponsorship	-	1,108	-1,108	-	-
	Total	<u>55,924</u>	<u>26,510</u>	<u>-</u>	<u>34,002</u>	<u>48,432</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 2019.

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.



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