



HANDS OF COMPASSION CHARITABLE FOUNDATION
FINANCIAL STATEMENTS AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021.



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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
Mr Francis Tamba
Rev Philip Denison

Rev David Izzard resigned wef. 20 June 2021

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 or building new educational establishments in Zambia and other countries in Sub Saharan Africa. We continue to support one pupil in full time education at University until the end of his academic course which completes in 2022.

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 and Sub Saharan Africa. 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 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 or other countries within Sub Saharan Africa, 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.

Background

In 2000 twenty five orphaned or vulnerable children, living in Chipulukusu, a shanty compound near Ndola, Zambia started to meet each day in a derelict building which had no roof, doors or windows. They were eager to learn even though there was no proper classroom, no blackboard or books. Hence Hands of Compassion Community School began.





Over the years funds were raised to help develop the school, renovate the original derelict building and build nine further classrooms, pupils toilet blocks, kitchen and dining room, carpentry workshop and store. A boundary wall was built to enhance security and enable the growing of vegetables to help feed the children.

Fifteen years later there were over six hundred pupils coming each day from Reception class to Grade seven to this first school that Hands of Compassion supported. The school became a Centre of Excellence producing one of the best examination results in the area. They were also taught vocational skills such

as carpentry and tailoring to enable them to become self sufficient after leaving school.

For many years Hands of Compassion assisted in sponsoring the Grade 7 pupils by paying their school fees at Government Secondary schools.

Since then, Hands of Compassion has moved on to support other schools with the building of new classrooms and toilets or meet other needs such as more text books. To this day, the first school is still very successful, now supported by the parents or guardians of the pupils.

Mwape Peer Award

Wendy Ray, Honorary Director of Hands of Compassion has been given the Mwape Peer Educational Excellence Award 2020. Mwape Peer awards are given to those people who have made a significant contribution to the Zambian community and is well respected. The Trustees are very pleased that Wendy's work over the last twenty years has been recognised, as making a real difference to the lives of thousands of orphaned and vulnerable children in Zambia,

Achievements & Performance for Year 2021

Proposed grant for building of two classrooms at St Paul's Church, Kawama.

The building of two classrooms at St Paul's Church, Kawama has been very slow, partly because of the COVID 19 pandemic. The Church congregation agreed to raise funds to build the sub structure, i.e. foundation and Hands of Compassion has promised to give a grant of £20,000 towards the cost of building the super structure.



During

lockdown restrictions by the Zambian government, they were unable to hold any fundraising activities to raise funds for building the slab foundation of the new classrooms. However, the people are very determined to secure the necessary funds.



Their latest progress report in December showed that they had built the box, secured sufficient materials and infilled. When they have added the final cement to the slab, Hands of Compassion will transfer the first instalment of our grant towards building the super structure.

Grant of £20,000 to build two classrooms and ablution block at St Paul's Church, Chipata

At the beginning of 2021, progress had started on the building of a two classroom block and Ablution block in the grounds of St Paul's Church, Chipata, Eastern Zambia. Their vision was to start a school which would provide education for children who are orphaned or vulnerable, living in their local community. Local people from the church were asked to raise some funds and acquire materials to help towards the cost. This they did, digging the footings and then continuing to complete the slab foundation.



Progress was good and very quickly the foundations were finished and building work moved onto the super structure, at which point Hands of Compassion sent by instalments a total grant of £20,000. Hands of Compassion was able to monitor their progress through photos, frequent telephone calls, emails, meetings by Zoom and receipt of regular expenditure reports.

Grant of £5,000 for desks, benches and books at Christian Mercy Foundation school, Blantyre, Malawi

An application for a grant was received from Christian Mercy Foundation, a small school established ten years ago near Blantyre in Malawi, providing education for orphaned or vulnerable children.

Their need was for additional desks, benches and books. Subsequently the Trustees of Hands of Compassion agreed that a grant of £5,000 be given.



Through communication via email, and whats app messages, information was received on their progress, together with full expenditure reports, copies of Malawian bank statements to show credit of our grant, together with details of withdrawals which matched their expenditure reports.



They then advised Hands of Compassion of a need to purchase a Maize grinding machine, which would not only help with their pupils' feeding programme, but would also generate income from the local community who needed to get their maize ground.

Trustees of Hands of Compassion agreed to their request and subsequently sent an additional grant of £2,700. The new maize mill has now been installed in a small secure building, ready for use.

Higher Education

We continued to support one of our former pupils, Paul who started at Hands of Compassion School twenty one years ago. Paul has taken his final examinations and written his thesis towards his Masters degree as a Doctor at the University's Faculty of Medicine. Through out the year, he commenced a number of Hospital placements at the University Hospital as part of his course, which will finish in February 2022 when he will then qualify as a Doctor.

The Honorary Director has maintained constant contact with Paul throughout his studies and ensured any requests for payment of academic fees are covered by authorisation notices from the University and receipts of payment accordingly. She also ensured that receipts are given for Living expenses as agreed by the Trustees.

Monitoring, evaluation and forward strategy

Looking back to 2000 when Hands of Compassion first set up and supported a Community School in Zambia, over the years, thousands of children have developed skills that has given them hope and an education which has and is changing their lives. Many pupils have found employment opportunities within Teaching, Finance, Administration and Retail areas of business.

The Honorary Director was unable to make any visits to Zambia, due to restrictions on travel during the COVID 19 pandemic. However she has maintained continual contact with the relevant Anglican Dioceses in Zambia, and appointed representatives from both St Paul's Church, Kawama and St Paul's Church, Chipata. In Malawi, she has also kept regular contact with Christian Mercy Foundation.

In all received grant applications, Hands of Compassion carries out an assessment to establish what their need is, examine details of the project costs and identify the risks relevant to the proposed project, e.g. for a building project – what are the security risks of the local area, and whether their financial procedures are accountable and transparent.

It is Hands of Compassion's policy that with all projects, following international transfer of money, full details of expenditure and photographs showing actual progress are sent to the Director and scrutinised throughout duration of the project. This is to ensure that any grant given is spent on the intended project, outlined in their grant proposal, and used only for the purpose for which it was given.

This procedure also applies to any individual person, i.e. Paul whom Hands of Compassion is supporting,

By working in partnership with the Anglican Dioceses of 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 Receipts and Payments schedule shows incoming resources of £23,390 (2020: £20,007), a increase of £3,383. Although there were a few specific fundraising activities planned during the year, these were postponed until 2022 due to restrictions of COVID 19 pandemic.

The Resources expended for the year total £ 41,533 (2020: £16,977). This is £24,556 more than 2020.

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 1 year's operating expenses for supporting the former pupil in his final year of 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

In September 2021, 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 for the year October 2020 – October 2021 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 and Malawi. The Charity is a small organisation but has very close personal links with the Anglican Dioceses of Central and Eastern Zambia, with whom we can build links with other potential schools projects who apply to Hands of Compassion Charitable Foundation for funding. In addition the Charity will consider applications received via the Hands of Compassion website, as long as they meet the set criteria of objectives and assessment procedures.

The Trustees believe education is vital to breaking the cycle of poverty. Having celebrated 21 years of successful development, in the coming year, the charity's aims are:

- To continue providing advice and support to St Paul's Church Kawama until the promised financial support is completed. In addition consider any future application for funding from Christian Mercy Foundation, Malawi, to complete our support at their school.
- To monitor educational progress of the performance of the sponsored pupil at University until support is withdrawn when he completes his academic course in 2022.
- 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, Malawi and schools in other countries in Sub Saharan Africa

By Order of the Board



Chair of the Trustees

7 February 2022.

HANDS OF COMPASSION CHARITABLE FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2021

		Unrestricted funds	Restricted funds	2021 Total	Unrestricted funds	Restricted funds	2020 Total
	Notes						
INCOME							
Income from donations and legacies							
Donations		11,507	9,345	20,852	14,614	2,179	16,793
Gift aid		2,534	-	2,534	3,176	-	3,176
		14,041	9,345	23,386	17,790	2,179	19,969
Income from other trading activities							
Fundraising		-	-	-	-	-	-
Income from investments							
Bank interest		4	-	4	38	-	38
TOTAL INCOME		14,045	9,345	23,390	17,828	2,179	20,007
EXPENDITURE							
Expenditure on raising funds							
Publicity		830	-	830	1,399	-	1,399
Expenditure on charitable activities							
Grants	2	29,312	9,345	38,657	9,918	2,179	12,097
Support costs	4	2,046	-	2,046	3,481	-	3,481
		31,358	9,345	40,703	13,399	2,179	15,578
TOTAL EXPENDITURE		32,188	9,345	41,533	14,798	2,179	16,977
NET INCOME/(EXPENDITURE)		-18,143	-	-18,143	3,030	-	3,030
Total funds brought forward		51,462	-	51,462	48,432	-	48,432
TOTAL FUNDS CARRIED FORWARD		33,319	-	33,319	51,462	-	51,462

HANDS OF COMPASSION CHARITABLE FOUNDATION
BALANCE SHEET
YEAR ENDED 31 DECEMBER 2021

		Unrestricted funds	Restricted funds	2021 Total	Unrestricted funds	Restricted funds	2020 Total
	Notes						
CURRENT ASSETS							
Debtors	5	380	-	380	2,896	-	2,896
Bank	6	33,839	-	33,839	49,454	-	49,454
		<u>34,219</u>	<u>-</u>	<u>34,219</u>	<u>52,350</u>	<u>-</u>	<u>52,350</u>
CURRENT LIABILITIES							
Creditors: Amounts falling due within one year	7	900	-	900	888	-	888
		<u>33,319</u>	<u>-</u>	<u>33,319</u>	<u>51,462</u>	<u>-</u>	<u>51,462</u>
NET CURRENT ASSETS							
		<u>33,319</u>	<u>-</u>	<u>33,319</u>	<u>51,462</u>	<u>-</u>	<u>51,462</u>
TOTAL ASSETS LESS CURRENT LIABILITIES							
		<u>33,319</u>	<u>-</u>	<u>33,319</u>	<u>51,462</u>	<u>-</u>	<u>51,462</u>
NET ASSETS							
		<u><u>33,319</u></u>	<u><u>-</u></u>	<u><u>33,319</u></u>	<u><u>51,462</u></u>	<u><u>-</u></u>	<u><u>51,462</u></u>
FUNDS							
Unrestricted funds	8			33,319			51,462
Restricted funds	8			-			-
				<u><u>33,319</u></u>			<u><u>51,462</u></u>

Approved by the trustees on:

7 February 2022

Signed


 Chairman

HANDS OF COMPASSION CHARITABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

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

Grants were made to St Paul's Church Chipata project, Zambia and also to a pupil supported by Hands of Compassion at University, namely Paul Sambwa.

3. RELATED PARTY TRANSACTIONS

There was no trustee remuneration, benefits or expenses during the year (2020 nil). There were no transactions with those persons and entities that are closely connected to the charity or its trustees, except that £2,491 was held in a temporary bank account until February 2021 in the name of Wendy Ray with the approval of the trustees.

HANDS OF COMPASSION CHARITABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

4. SUPPORT COSTS	2021	2020
	£	£
Office costs	554	1,843
Legal fees	-	-
UK travel	132	316
Insurance	460	434
Independent examiners fee	900	888
	<u>2,046</u>	<u>3,481</u>

5. DEBTORS	2021	2020
	£	£
Gift aid	380	405
W Ray temporary bank account	-	2,491
	<u>380</u>	<u>2,896</u>

6. CASH AT BANK AND IN HAND	2021	2020
	£	£
Bank current account	1,475	3,292
Bank savings account	32,019	45,715
Cash in hand	78	231
Foreign currency cash in hand	267	216
	<u>33,839</u>	<u>49,454</u>

7. CREDITORS	2021	2020
	£	£
Other creditors	900	888

8.

FUND MOVEMENTS

Fund	2021	Brought forward	Income	Expenditure	Transfers	Carried forward
Unrestricted - General fund		51,462	14,045	-32,188	-	33,319
Restricted - St Paul's Church		-	9,345	-9,345	-	-
Total		51,462	23,390	-41,533	-	33,319

Fund	2020					
Unrestricted - General fund		48,432	17,828	-14,798	-	51,462
Restricted - Pupil sponsorship		-	2,179	-2,179	-	-
Total		48,432	20,007	-16,977	-	51,462

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 2021.

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').

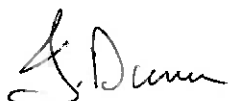
I report in respect of my examination of the Foundation's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

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.

 7.2.22

John Duncan FCA

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