



HANDS OF COMPASSION CHARITABLE FOUNDATION
FINANCIAL STATEMENTS AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020.

Contents	Page
Reference and Administrative details	3
Trustees' Report	4 - 7
Statement of Financial Activities	8
Balance Sheet	9
Notes to the Financial Statements	10-11
Independent Examiner's Report	12

**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
Rev David Izzard
Francis Tamba
Rev Philip Denison

Mrs Carolyn Asplin resigned wef.7 June 2020

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 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) 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, Hands of Compassion has been working in partnership with the Anglican Diocese of Central Zambia, to monitor how the building project at St Agnes Church Primary School was progressing. By the end of the year, all remaining work on the building of two classrooms was completed and pupils started to use the new classrooms in September. Full detailed expenditure and photographs were received.

Progress on the building of two classrooms at St Paul's Church, Kawama was very slow, partly because of Zambian Government restrictions during the COVID 19 pandemic whereby people were refrained from going to work. In addition the congregation of St Paul's Church were unable to hold any fundraising activities to raise funds for building the slab foundation of the new classrooms. However, in November, a progress report was received which also showed members of the congregation digging the footings. They have managed to secure building sand and cement. It is their vision to complete

the building of the primary school together with a proposed grant towards the cost of super structure and roofing from Hands of Compassion in 2021.

In September 2020, Hands of Compassion was contacted by the Anglican Diocese of Eastern Zambia for help and advice. St Paul's Church, Chipata wanted to start a small primary school to meet the needs of many children who were unable to attend school in their local area. Through communication via email, telephone and meeting by Zoom, information was gained and an application for a Grant was received from St Paul's Church. This was presented to Hands of Compassion Trustees for consideration. Subsequently the Trustees agreed that a grant of £20,000 be given on condition that local funds should be raised to build the slab foundation, and then a grant from Hands of Compassion will fund the super structure and roofing. Work has now started with help from members of the church congregation digging the footings and making bricks. The first instalment of the grant (£5000) was transferred via the Anglican Diocese of Eastern Zambia towards cost of materials and labour.

Mwape Peer Award – We are delighted to say that Wendy Ray, our 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,

Higher / Further Education

We continued to support one of our former pupils, Paul who started at Hands of Compassion School twenty years ago. Paul has taken his final examination and written his thesis towards his Masters degree as a Doctor at the University's Faculty of Medicine. He commenced his Hospital placement at the University Hospital in August which will continue until December 2021 when he will qualify as a Doctor.

In addition, following the sponsorship of another boy, Leonard who repeated one semester at another University, Leonard has now obtained employment in a local Hospital Pathology Laboratory.

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 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, staff at St Agness Church Primary School and appointed representatives from both St Paul's Church, Kawama and St Paul's Church, Chipata.

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.

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 for the purpose for which it was given. In each case, Hands of Compassion informed the Bishop of the relevant Anglican Diocese in Zambia.

This procedure also applies to any individual Hands of Compassion is supporting,

By working in partnership with the Anglican Diocese of Central and Eastern 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 £20,007 (2019: £26,510), a decrease of £6,503. Although there were a few specific fundraising activities planned during the year, these were postponed until 2021 due to restrictions of COVID 19 pandemic.

The Resources expended for the year total £16,977 (2019: £34,002). This is £17,025 less than 2019.

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

In September 2020, 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 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. The Trustees believe education is vital to breaking the cycle of poverty.

Having celebrated 20 years of successful development, in the coming year, the charity's aims are:

- To continue providing advice and support to both St Paul's Church Kawama and St Paul's Church Chipata 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

20 February 2021

HANDS OF COMPASSION CHARITABLE FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2020

		Unrestricted funds	Restricted funds	2020 Total	Unrestricted funds	Restricted funds	2019 Total
	Notes						
INCOME							
Income from donations and legacies							
Donations		14,614	2,179	16,793	20,834	1,108	21,942
Gift aid		3,176	-	3,176	4,470	25	4,495
		<u>17,790</u>	<u>2,179</u>	<u>19,969</u>	<u>25,304</u>	<u>1,133</u>	<u>26,437</u>
Income from other trading activities							
Fundraising		-	-	-	-	-	-
Income from investments							
Bank interest		38	-	38	73	-	73
TOTAL INCOME		<u>17,828</u>	<u>2,179</u>	<u>20,007</u>	<u>25,377</u>	<u>1,133</u>	<u>26,510</u>
EXPENDITURE							
Expenditure on raising funds							
Publicity		1,399	-	1,399	2,508	-	2,508
Expenditure on charitable activities							
Grants	2	9,918	2,179	12,097	19,837	1,133	20,970
Zambia visit expenses		-	-	-	5,239	-	5,239
Support costs	4	3,481	-	3,481	5,285	-	5,285
		<u>13,399</u>	<u>2,179</u>	<u>15,578</u>	<u>30,361</u>	<u>1,133</u>	<u>31,494</u>
TOTAL EXPENDITURE		<u>14,798</u>	<u>2,179</u>	<u>16,977</u>	<u>32,869</u>	<u>1,133</u>	<u>34,002</u>
NET INCOME/(EXPENDITURE)		3,030	-	3,030	-7,492	-	-7,492
Total funds brought forward		48,432	-	48,432	55,924	-	55,924
TOTAL FUNDS CARRIED FORWARD		<u>51,462</u>	<u>-</u>	<u>51,462</u>	<u>48,432</u>	<u>-</u>	<u>48,432</u>

HANDS OF COMPASSION CHARITABLE FOUNDATION
BALANCE SHEET
YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds	Restricted funds	2020 Total	Unrestricted funds	Restricted funds	2019 Total
CURRENT ASSETS							
Debtors	5	2,896	-	2,896	8,765	-	8,765
Bank	6	49,454	-	49,454	40,543	-	40,543
		<u>52,350</u>	<u>-</u>	<u>52,350</u>	<u>49,308</u>	<u>-</u>	<u>49,308</u>
CURRENT LIABILITIES							
Creditors: Amounts falling due within one year	7	888	-	888	876	-	876
NET CURRENT ASSETS		<u>51,462</u>	<u>-</u>	<u>51,462</u>	<u>48,432</u>	<u>-</u>	<u>48,432</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		51,462	-	51,462	48,432	-	48,432
NET ASSETS		<u><u>51,462</u></u>	<u><u>-</u></u>	<u><u>51,462</u></u>	<u><u>48,432</u></u>	<u><u>-</u></u>	<u><u>48,432</u></u>
FUNDS							
Unrestricted funds	8			51,462			48,432
Restricted funds	8			-			-
				<u>51,462</u>			<u>48,432</u>

Approved by the trustees on: *20 February 2021*

Signed *P. C. Ray*
Chairperson

HANDS OF COMPASSION CHARITABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

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 (2019 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 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 2020

4. SUPPORT COSTS	2020	2019
	£	£
Office costs	1,843	2,468
Legal fees	-	1,176
UK travel	316	356
Insurance	434	409
Independent examiners fee	888	876
	<u>3,481</u>	<u>5,285</u>

5. DEBTORS	2020	2019
	£	£
Gift aid	405	464
W Ray temporary bank account	2,491	8,301
	<u>2,896</u>	<u>8,765</u>

6. CASH AT BANK AND IN HAND	2020	2019
	£	£
Bank current account	3,292	1,415
Bank savings account	45,715	38,577
Cash in hand	231	212
Foreign currency cash in hand	216	339
	<u>49,454</u>	<u>40,543</u>

7. CREDITORS	2020	2019
	£	£
Other creditors	888	864

8. FUND MOVEMENTS					
	Brought forward	Income	Expenditure	Transfers	Carried forward
Fund 2020					
Unrestricted - General fund	48,432	17,828	-14,798	-	51,462
Restricted - Pupil sponsorship	-	2,179	-2,179	-	-
Total	<u>48,432</u>	<u>20,007</u>	<u>-16,977</u>	<u>-</u>	<u>51,462</u>
Fund 2019					
Unrestricted - General fund	55,924	25,377	-32,869	-	48,432
Restricted - Pupil sponsorship	-	1,133	-1,133	-	-
Total	<u>55,924</u>	<u>26,510</u>	<u>-34,002</u>	<u>-</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 2020.

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

23.2.21

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