COMPASSION UK CHRISTIAN CHILD DEVELOPMENT

England & Wales · Charity number 1077216

Details

Other names	COMPASSION UK
Status	Registered
Legal form	Charitable company
Company number	03719092
Registered	1999-08-27
Register	View on the Charity Commission register

Contact

Address	Compassion House Barley Way Fleet GU512UT
Phone	01932836490
Email	info@compassionuk.org
Website	www.compassionuk.org

Activities

Objects: (1) TO ADVANCE THE CHRISTIAN FAITH IN ALL OR ANY PART OF THE WORLD (2) THE RELIEF OF POVERTY SUFFERING OR DISTRESS AMONGST CHILDREN (INCLUDING BUT WITHOUT PREJUDICE TO THE GENERALITY THE PREVENTION OF MALNUTRITION, ILLNESS AND DISEASE) (3) THE EDUCATION AND TRAINING OF CHILDREN (4) THE DEVELOPMENT OF CHILDREN TO SOCIAL AND SPIRITUAL MATURITYNOTHING IN THESE ARTICLES OF ASSOCIATION SHALL AUTHORISE AN APPLICATION OF THE PROPERTY OF THE CHARITY FOR PURPOSES WHICH ARE NOT CHARITABLE IN ACCORDANCE WITH SECTION 7 OF THE CHARITIES AND TRUSTEE INVESTMENT (SCOTLAND) ACT 2005

Activities: To advance the christian faith in all or any part of the world.The relief of poverty, suffering or distress amongst children.The education and training of children.The development of children to social and spiritual maturity.

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Classification

- **How:** Makes Grants To Organisations
- **What:** The Prevention Or Relief Of Poverty
- **Who:** Children/young People

Geography

- **Area of benefit:** WORLDWIDE.
- Bangladesh
- Bolivia
- Brazil
- Burkina Faso
- Colombia
- Dominican Republic
- Ecuador
- El Salvador
- Ethiopia
- Ghana
- Guatemala
- Haiti
- Honduras
- Indonesia
- Kenya
- Mexico
- Nicaragua
- Peru
- Philippines
- Rwanda
- Sri Lanka
- Tanzania
- Thailand
- Togo
- Uganda

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Finances

Period end	Income	Expenditure	Assets	Employees
2025-06-30	£53,228,544	£52,908,655	£9,552,506	162
2024-06-30	£52,608,989	£52,750,806	£9,231,381	172
2023-06-30	£51,135,710	£50,100,506	£9,373,197	164
2022-06-30	£50,544,059	£49,909,480	£8,337,992	161
2021-06-30	£50,836,000	£48,901,000	£7,703,000	152

Trustees

Name	Role	Appointed
BERTRAM SINNIAH	Chair	2019-06-14
Anthonia Adesola Irukwu		2023-03-03
DAVID STEINEGGER		2023-11-10
DELFIN POSADA		2018-03-12
Dr Richmond Wandera		2019-10-18
Fiona Joy Sellers		2023-03-03
Hedy Hodson		2020-10-16
TIMOTHY MALTON		2023-11-10

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COMPASSION UK CHRISTIAN CHILD DEVELOPMENT

England & Wales - Charity number 1077216

Accounts

Compassion UK Christian Child Development
Annual Report and Financial Statements
2024/2025

Releasing children from poverty
Compassion®
in Jesus' name

This report has been prepared to meet all legal, regulatory, and governance requirements in a clear and matter-of-fact way. It provides transparency on our operations, finances, and compliance with the standards expected of UK charities.

If you're looking for stories of impact, inspiration, and the difference we've made together, we invite you to explore our **Impact Report**, which brings our mission to life through real-world outcomes and voices from our community.

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A) Administrative details

Charity Name:	Compassion UK Christian Child Development Ltd
Charity Registration Number:	1077216 (England and Wales) SC045059 (Scotland)
Company Number:	03719092
Registered Address:	Compassion House, Barley Way, Fleet, GU51 2UT
Auditor:	Menzies LLP, Magna House, 18-32 London Road, Staines-upon-Thames, TW18 4BP
Solicitor:	Moore Barlow LLP, Gateway House, Tollgate, Chandler's Ford, Eastleigh, SO53 3TG

Trustees and directors:

The trustees are the directors of Compassion UK for the purposes of company law and the trustees of Compassion UK for the purposes of charity law. All trustees are also members. All trustees are volunteers. The trustees' responsibilities are set out on page 23.

Bertram Shaun Sinniah, Chair. Shaun is the Managing Director of a leading independent specialist broking firm. He has a wealth of experience in multiple industries. Shaun is appointed to the board of Compassion International.

Delfin Posada, Safeguarding Trustee Lead. Delfin is a pastor and an internationally experienced solicitor and founding member of his law firm.

Hedy Hodson, Chair of the Finance and Audit Committee. Hedy is a chartered accountant who has had various roles working with the public sector, charities, churches and community projects with a particular focus on families and young people.

Fiona Sellers, Chair of the People and Culture Committee. Fi has a wealth of experience in HR in both the commercial and charity sectors including the Director of People for HTB Group before running her own HR consulting and coaching business.

Professor Anna Maslin, PhD, Deputy Safeguarding Trustee Lead. Anna has been working globally focusing on health, human rights and international development for over 40 years, and has represented the UK at numerous international fora. Anna retired as a director on 02 December 2025

Tim Malton. Tim has spent the last 20 years in investment banking, specialising in emerging markets. Prior to this, he was involved in the insurance industry for 15 years. He is currently an advisor to a large financial services firm.

Dr Richmond Wandera. Richmond is the senior pastor of New Life Baptist Church in Kampala, Uganda, the President and Founder of Pastors Discipleship Network and a Compassion Graduate.

David Steinegger. A chartered accountant with 40 years, experience in financial services, as well as significant experience on the board of several charities and in church leadership

Adesola Irukwu. Adesola is the co-founder of Bright Futures for African Children. She holds a bachelor's degree in dental surgery from the University of Ibadan, Nigeria and a Masters in Conference and Events Management from the University of Westminster, London.

Leadership Team:

Authority to conduct the day-to-day operations of the charity is delegated to the Chief Executive Officer, who is responsible for carrying out the strategies and policies set by the trustees.

Justin Dowds, Chief Executive Officer
Amy Hiorns, Chief Operating Officer and Company Secretary
Lyn Weston, Chief Partnerships Officer
Nick Harris, Chief Marketing Officer
Steve Blow, Finance Director

B) Structure and governance

Compassion UK Christian Child Development is a company limited by guarantee and governed by its Articles of Association dated 24 February 1999 which was last amended by special resolution on 26 May 2023. It is registered as a charity with the Charity Commission in England and Wales and the Office of the Scottish Charity Regulator. Members must accept and believe in the Compassion UK Statement of Faith. Each member agrees to contribute £10 in the event of the charity being wound up.

Appointment of volunteer trustees

Every trustee volunteers their services to the charity and must be a member. The chair of the Board of trustees is elected by the trustees from one of their number. New trustees are appointed by the existing trustees according to the charity's governing document, ensuring that the Board has the appropriate balance of skills, experience, independence and knowledge to enable them to carry out their respective duties and responsibilities.

Trustee induction and training

Trustees are given training and documentation to brief them on their legal obligations under charity and company law, the content of the Articles of Association, the decision-making process, the business plan and the recent financial performance of the charity. Every three to four years, all trustees visit one of the countries where Compassion works to see the programmes first-hand.

Organisation

The Board of trustees must have at least three members and is responsible for setting strategies and policies and ensuring that these are implemented. All trustees give their time freely, and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in notes 12 and 19 to the accounts. Trustees are required to disclose all relevant interests and, in accordance with the trustees' policy, withdraw from decisions where a conflict of interest arises.

The trustees conduct an annual Board review to evaluate performance against the principles set out in the Charity Governance Code. The evaluation report is used to identify and explain areas of strength and areas for development. We have established procedures that ensure actions to implement the Code's principles are reviewed routinely at each Board meeting to ensure ongoing accountability.

There are three sub-committees namely; Finance and Audit Committee, Safeguarding Committee and the People and Culture Committee which exist to provide support and advice to the Board in its governance role in their respective areas of expertise. The committees are

appointed by the Board with no less than four members, with a minimum of two members of each committee being members of the Board. The committees meet at least two times a year.

The Board is responsible for determining the principal risks it is willing to take to achieve its strategic objectives. The Board maintains sound risk management and internal control systems. Trustee Indemnity Insurance is provided by Compassion UK for trustees.

We're part of a wider family

Being part of the Compassion International family gives Compassion UK a unique advantage: the ability to combine local passion with global reach. This partnership connects us to a growing network of 16 funding countries and over 8,900 local church partners across 29 programme countries, enabling us to deliver a proven, holistic child development model that addresses the physical, cognitive, socio-emotional and spiritual needs of children living in poverty.

Through Compassion International, we access global best practice in programme design, safeguarding, and financial accountability. This includes rigorous internal audits, risk management frameworks, and shared learning across national offices, ensuring that the donations we are entrusted with are stewarded with integrity and impact.

Our global alliance allows us to benefit from centralised systems and shared services, reducing duplication and enabling cost efficiencies. For example, international collaboration lowers costs for each national office while improving supporter experience.

When crises strike—whether conflict, natural disaster, or economic shocks—our global structure enables a swift, coordinated response. Funds can be mobilised quickly across borders, and local church partners on the ground can act immediately to protect children and families. This resilience is only possible because of the depth and breadth of our international network.

Ultimately, being part of Compassion International means we can do more than we ever could alone. It allows us to remain Christ-centred and church-driven while leveraging global resources to release children from poverty in Jesus' name—effectively, efficiently, and at scale.

We're also independent

While Compassion UK is part of the global Compassion International family, it operates as an independent UK charity. This independence is essential for ensuring compliance with UK law, maintaining public trust, and safeguarding our Christian ethos. Our legal structure ensures that our operations, finances, and governance meet the standards of transparency and accountability required in the UK.

The Board determines Compassion UK's strategic direction, risk appetite, and policies. While we collaborate globally for programme delivery, decisions about fundraising, supporter engagement, and UK operations rest entirely with the UK Board.

This autonomy allows us to tailor our approach to the UK context while aligning with the global mission of releasing children from poverty in Jesus' name.

Compassion UK manages its own finances, subject to annual external audits and internal controls. Funds raised in the UK are granted to Compassion International for programme implementation because this is the most efficient way to deliver impact. However, the UK Board retains responsibility for ensuring that these funds are used in line with our charitable objectives and donor intent.

To ensure that Compassion International is held to high standards, Compassion UK scrutinises the partnership. The Board and its committees regularly review reports, financial statements, and programme outcomes provided by Compassion International. This oversight includes setting clear expectations for accountability, requesting evidence of impact, and verifying that activities align with UK regulatory requirements and our charitable mission. Through this ongoing scrutiny, Compassion UK holds Compassion International to account, ensuring that funds entrusted to us are used effectively and ethically to benefit children living in poverty.

We are proud to support Compassion Ireland

Compassion UK plays a vital role in enabling Compassion Ireland to thrive. While Compassion Ireland is an independent charity, our partnership ensures that it can operate effectively without duplicating costly infrastructure.

Compassion UK provides essential back-office support to Compassion Ireland. This includes finance, IT, supporter services, digital infrastructure, fundraising, and marketing.

By leveraging our established systems and expertise, we help Compassion Ireland maintain high standards of compliance, data security, and supporter care without the overhead of building these capabilities from scratch. This arrangement avoids unnecessary duplication of costs and ensures that more donor funds can be directed to frontline ministry.

Supporting Compassion Ireland strengthens the entire Compassion family. It expands our reach into Ireland, unlocking new opportunities for child sponsorship and advocacy. It also fosters unity and shared learning between our teams, ensuring that both countries benefit from innovation and best practice. Ultimately, this collaboration means more children released from poverty in Jesus' name.

C) Objectives and activities

Our Mission: Releasing children from poverty in Jesus' name

Compassion UK's charitable purpose as defined by our articles of association as follows:

- To advance the Christian faith in all or any part of the world.
- The relief of poverty, suffering or distress amongst children (including but without prejudice to the generality the prevention of malnutrition, illness and disease).
- The education and training of children.
- The development of children to social and spiritual maturity.

Who we are: Compassion is a Christian child development charity that sees beyond the devastating reality of poverty to the God-given potential in every child and family. In partnership with 8,900 local churches across 29 countries, they move with compassion to release children from poverty in Jesus' name. Today, more than 2 million children receive education, healthcare, and life-changing support tailored to their individual needs. Led by Jesus, Compassion empowers children to thrive and bring hope to their communities.

How we're different:

- **We're Christ-centered.** It's all about Jesus. He's our inspiration, the model we follow and the one we want to introduce others to. We move with compassion because Jesus did. At the heart of poverty is a defeating message that "you don't matter." We believe one of the kindest things we can do is introduce children to Jesus and support them through discipleship. When children understand that they are deeply loved by the creator of the universe, it sparks a shift in the way they think about themselves and the world around them.

- **We're child-focused.** Children experience the brutality of poverty most acutely - but they also hold the key to breaking the inter-generational cycle of poverty. Investment in the lives of children impacts their family, their community, and ultimately a nation. We've seen it! Children who are empowered with the resources and relationships they need to address spiritual, economic, social and physical challenges become thriving followers of Jesus who positively influence the world around them.

- **We're church-driven.** God chose His Church to bring hope to the world – and we want to equip them for that task. We seek out churches whose hearts have been broken by the injustice of poverty and are already moving with compassion to support children in their communities. Churches bring deep cultural understanding, local knowledge of community needs and strong relationships. They

are well placed to develop locally led, targeted solutions that create enduring change. Compassion comes alongside the church as a catalyst and connector, amplifying their vital work to release children from poverty.

Where we work:

All our programmes are conducted through local churches in:

Central and South America	**Africa**	**Asia**
Bolivia	Burkina Faso	Bangladesh
Brazil	Ethiopia	Cambodia
Colombia	Ghana	Indonesia
Dominican Republic	Kenya	Myanmar
Ecuador	Malawi	Sri Lanka
El Salvador	Rwanda	Thailand
Guatemala	Tanzania	The Philippines
Haiti	Togo	
Honduras	Uganda	
Mexico	Zambia	
Nicaragua		
Peru		

Main activities and how they further the purposes:

We resource and steward Compassion's proven sponsorship model run through local church partners across programme countries. Sponsorship delivers a holistic set of benefits, education inputs, health checks and treatment, nutritional support, safe spaces, mentoring/discipleship, and letter translation/relationship enablement, tailored locally by frontline churches and implemented via Compassion International systems and teams. Around 90% of the children and young adults we help are supported in this way

Similarly, we also resource similar programmes but without a connection to a sponsor. Sometimes this is because we can't connect children to sponsors, for instance in the case of refugees. At other churches there are some adapted models which are designed to have more of an emphasis of working with caregivers or the community more widely. And some projects are like our sponsorship model, but the one-to-one connection is replaced with more care directly from the church community. Around 8% of the children we help are supported this way

We also support pre and postnatal care for highly vulnerable mums and babies: antenatal visits, safe delivery support, immunisations, nutritional supplements, caregiver training, home visits and referral pathways, so children have the best possible start and can later flourish in our programmes. Around 2% of the children we help are supported this way

We also fund targeted Interventions that address critical or timebound needs, e.g., clean water and sanitation, malnutrition treatment and food security, medical and surgical care, education inputs and catchup support, child protection, and disaster/emergency response when crises hit (earthquakes, conflict, epidemics).

We actively empower a network of Compassion advocates—passionate supporters who share our vision, to speak on behalf of vulnerable children in a range of settings. We equip these advocates with stories, resources and training to confidently talk at churches, community events and Christian gatherings, raising awareness about the life-changing impact of our programmes.

We encourage church partners to advertise Compassion's work through presentations, social media, and local networks, deepening engagement with Christians across the UK and Ireland. Our teams provide regular updates, inspiring stories, and practical tools, enabling donors and supporters to remain closely connected to the children and projects they help. This ongoing communication builds trust, fosters transparency and encourages ongoing support.

In addition, we nurture relationships with philanthropic individuals and groups, offering opportunities for more significant giving and tailored involvement. By keeping our donors engaged—through events, personalised communications, and regular reporting, we strengthen a sense of shared mission. This holistic approach ensures that supporters feel valued and see the tangible results of their generosity, motivating long-term involvement and maximising the impact on children and communities.

D) Examples of how funds are used:

Sponsorship: When a donor donates £32 per month, 80% is granted to Compassion International. 20% is retained by Compassion UK.

Around 65% of this grant, will be granted to the local church through which the sponsored child is supported. This equips the incredible team of staff and project volunteers who care for, and mentor sponsored children each week and enables the church to provide:

- Christ centred guidance through the local church to overcome fear and hopelessness and to build self esteem
- Healthy meals and additional nutritional support where needed
- Vocational training to equip children for the future
- Lessons at the project such as how to stay safe and healthy
- Medical check-ups to fight back against disease and keep children healthy
- Recreational activities to improve self-confidence and social and emotional skills
- Essential supplies such as toothbrushes and feminine hygiene products
- School resources and uniforms to defeat illiteracy and provide critical skills

This also provides a one-to-one relationship with a sponsor. Letter translation and delivery is an important part of our sponsorship programme. Time and again Compassion graduates tell us that affirming words brought hope for the future.

The remaining grant is used to:

- Support every child who joins our programme from day one, regardless of whether they have been sponsored. All children immediately begin to receive the programme's essential services and benefits. When a child is eventually sponsored, part of their sponsorship is used to provide ongoing support to another children who is waiting for a sponsor. This means that children have received a benefit funded by another sponsor while they were unsponsored, and each sponsor funds that benefit in retrospect by providing the same vital help to another child who will in turn be sponsored.
- Support local and international experts who ensure we design programmes well and provide expertise and scrutiny of local churches. We ensure we monitor outcomes, safeguard children, ensure funds are well managed and provide necessary IT infrastructure.
- Meet the specific legal, financial and operational requirements of operating in each context.

The 20% that is retained by Compassion UK is used strategically to operate effectively with excellence by:

- Finding new donors who can support a child who lives in poverty through the local church. Typically, when we spend money on fundraising we generate £7 in future revenue for every initial £1 we spend.
- We care for existing supporters by making sure they have what they need through enquiries to our supporter care team, by processing donations effectively, by providing digital tools that supporters need.
- We ensure that Compassion UK is well run by maintaining IT systems and operating to high compliance standards.
- We also invest in projects to ensure Compassion UK is healthy and relevant in the future.

Child gifts: 100% of a financial gift donated to a child is granted via Compassion International to the local church and is used to purchase a suitable gift for the child.

There are several areas where 100% of a donation is only used to directly benefits the recipients such as family gifts, donations to disaster appeals and our Christmas appeal.

Gift Aid: 100% of Gift Aid (and any undesignated donations) are ringfenced by the board in a Most Needed Fund. These funds are used in three ways:

- Additional programmatic grants to meet additional needs of children
- Fund activities in the UK that positively impact children in our programmes
- Find new donors who can support a child who lives in poverty through the local church

E) Achievements and performance

Performance in financial year 2025

Our key strategic long-term goal is to accelerate the rate of ministry growth to enable the support of more than 200,000 children in evidence based holistic programming by 2030. In pursuit of this goal **our primary short-term goal** was to continue to serve at least 115,605 children in poverty while creating new ways to grow.

At the end of the year we were supporting 130,573 children, an increase of 15,003 children. This increase was primarily through supporting additional unsponsored children which facilitated successful sponsorship appeals after the year ended.

This was made up as follows:

Sponsored children	100,712 (decreased by 960)
Children in community-based programmes	10,051 (increased by 1,454)
Unsponsored children in the sponsorship programme	19,810 (increased by 14,509)

The primary new ways to grow which were created in the year were through opportunities to support community-based programmes.

In support of our primary goal, we aimed:

To find new sponsorships for 7,942 children: We found 9,053 new sponsors in the year, exceeding the goal by 1,111 sponsored children

For at least 94.3% of sponsors to continue their sponsorships: 95.1% of sponsors from the beginning of the financial year continued with their sponsorship for the duration of the year.

Allow supporters to support children in poverty in new ways: Compassion UK has piloted community-based programming for several years funded by Gift Aid. During the year, we began a trial allowing sponsors whose children had graduated from the programme to financially support children in community-based programmes. We also began allowing philanthropists and organisations to fund these programmes directly.

Empower our people to thrive: We saw increases in employee engagement and in the proportion of internal promotions of female employees. We did not make the progress we originally intended to make on mapping the current and future skill requirements of Compassion UK

Operate with excellence for the future: We made substantial progress on changing underlying website technology to allow reuse of components and also created new giving opportunities. We also completed our review of all our supporter focused technology.

Advocates and volunteers

In total our 549 advocates and volunteers gifted 8,674 hours during the year. This excludes time given by the volunteer trustees.

- Our 104 advocate speakers spoke up for children at 272 churches, gifting 1,336 hours to Compassion
- 433 event advocates served at 168 events donating 3,464 hours of their time
- A volunteer gifted 924 hours writing reports for philanthropic purposes during the year
- Our 11 volunteers in support roles gifted 2,950 hours during the year

Future performance

Our key strategic long-term goal remains to accelerate the rate of ministry growth to enable the support of more than 200,000 children in evidence based holistic programming by 2030. In pursuit of this goal **our primary short term goal** is to increase the number of children in sponsorship and community-based programmes from 110,763 to at least 113,050.

To achieve we aim to increase the number of new sponsorships from 9,053 in FY25 to 11,315 in FY26

We also aim to increase the number of donors contributing enough to fully support a child in community-based programmes by 1,250

We also aim for 450 children to be supported in community programmes at no additional cost due to innovation.

F) Financial Review

Income and expenditure summary:

Over the past year, our income grew by £0.6 million, reaching a total of £53.2 million. The main reason for this increase was a rise of £0.9 million in donations, which amounted to £43.2 million overall. The strongest growth came from Sponsorship, Community Programmes, and Targeted Response Interventions, together adding £1.3 million in donation income. However, these gains were partly offset by a reduction in donations for disaster appeals, due to fewer urgent needs, and by lower legacy income compared to an exceptionally high previous year.

Nearly all our income (99%) was from voluntary contributions. Of these, 82% came from donations and 16% from Gift Aid.

85.6% of total income was used on charitable activities. Our largest expense is the grants we award to Compassion International. This year, we provided £38.8 million in grants, a figure similar to last year's. The grant amount did not rise as quickly as donations because there was a gap between when income was received and when activities took place. As a result, we added £0.8 million to our restricted funds and the Most Needed fund, which will be used for grants in the next financial year.

Fundraising costs rose by £0.7 million to £7.4 million, accounting for 13.8% of our total income. It's important to note that higher fundraising spending does not immediately result in more donations in the same year, as most donations—especially sponsorships—come from ongoing monthly commitments over future years. While fundraising expenses increased by 11%, we welcomed a 13% rise in new sponsors.

Other expenses, such as support costs, went down by £0.6 million.

General reserves decreased by £0.5 million, from £7.2 million to £6.7 million. This reduction was a planned use of surplus reserves.

General reserves:

The trustees' policy is to maintain enough funds in reserve to cover six months of operating costs, which amounts to £5.3 million. By the end of the year, our general reserves were £6.7 million, an extra £1.4 million above our target. These extra funds were built up during and after the pandemic, when fundraising was more difficult than usual. The trustees have a plan to use this surplus in a responsible way, focusing on helping more children through new fundraising and innovative programmes. In the last two years, we have used £1.1 million from these extra reserves, and we plan to keep deploying them at a similar rate until the target reserve level is reached.

Restricted and designated reserves

During the year, our restricted and designated reserves grew by £0.8 million, bringing the total to £2.9 million. This increase happened because grants are sometimes scheduled to be distributed over several years instead of all at once. Notably, £1.7 million of the designated funds have been set aside to be granted over the next five years.

Investment policy and performance:

Throughout the financial year, our investment policy focused on safeguarding our capital by limiting investments to the lowest-risk options, such as bank deposit accounts and short-term government securities.

Going concern statement:

After careful review of our current financial position, future income projections, and ongoing commitments, the trustees are confident that the charity remains a going concern. We continue to maintain reserves well above our target level and have robust plans for deploying surplus funds in line with our mission. Our prudent approach to financial management, along with stable sponsorships and diversified income streams, ensures that we can meet our obligations and pursue our objectives for the foreseeable future.

G) Risk Management

Approach

Effective risk management is essential for Compassion UK's governance and mission. The trustees set the organisation's risk appetite and promotes a strong risk-aware culture. Risks are recorded in a central register and are reviewed regularly, with a focus on those that could impact strategic objectives. Board Committees conduct detailed reviews of strategic risks and report to the Board. The Executive Team manages detailed reviews of operational risks and oversees mitigation plans, escalating issues as needed. Compassion UK also works closely with global partners to address critical risks and support the ministry's goals of helping children in need.

Principal Risks and Uncertainties:

- **Financial Sustainability** – Failure to achieve planned revenue growth, driven by economic uncertainty and donor attrition could impact overall income. *Mitigation:* diversified income streams, adaptive marketing strategies, prudent reserves, and scenario planning.
- **Reputation** – Negative publicity or adverse perception of Compassion UK or Compassion International or the local churches we work alongside, arising from serious incidents, non-compliance, or concerns, could undermine supporter trust and engagement. *Mitigation:* robust policies and compliance framework, safeguarding-first culture, media and crisis communication plans, third-party due diligence, and proactive media monitoring.
- **Operational Disruption** – Regulatory restrictions, external disruptions (including political and security issues) or serious incidents in programme countries could lead to suspension or closure of operations, limiting programme delivery. *Mitigation:* proactive monitoring, contingency planning, legal and advocacy engagement, partner support, and crisis communication plans.
- **Cybersecurity and Compliance** – Failure to comply with legal, regulatory, or data protection requirements, or vulnerability to a significant cybersecurity attack, could result in operational disruption, data loss, legal penalties, reputational damage, and financial loss. *Mitigation:* robust compliance framework, regular training, policy reviews, technical security controls, security scanning, internal audits, and business continuity planning .

The Board is satisfied that these risks remain relevant, are being managed appropriately, and that systems and controls are in place to respond effectively.

H) Safeguarding

Protecting everyone who interacts with Compassion UK is central to our mission. We are dedicated to keeping children and adults safe, ensuring they are known, loved, and protected.

We operate a zero-tolerance approach to safeguarding, with strong systems in place in the UK and overseas to prevent, identify, and respond to harm. Our safeguarding work is structured around three key pillars: prevention, reporting, and response.

- Prevention: We foster a culture where everyone is responsible for safeguarding. Our Board and Executive Team regularly review policies and strategies, and safeguarding remains a standing agenda item. Safer recruitment practices, mandatory background checks, and participation in the Misconduct Disclosure Scheme support our commitment. All staff and trustees receive regular safeguarding training, and communications uphold child dignity and protection. Field protocols and updated training for trip leaders further strengthen our approach.
- Reporting: All staff are responsible for reporting concerns or breaches of our Code of Conduct. We have clear, accessible reporting procedures and have enhanced our internal processes to remove barriers. Our Whistleblowing Policy allows concerns to be raised anonymously, including directly to a designated trustee.
- Response: Protecting children from harm is our highest priority. We comply with all relevant laws and promptly report serious incidents to the Charity Commission and other relevant authorities. In the past year, three safeguarding incidents involving participants who are sponsored through Compassion UK were reported to the Charity Commission as serious incidents. No incident involved Compassion UK staff or volunteers. All incidents were reported and fully investigated using a survivor-centred approach.

We are also committed to preventing modern slavery and human trafficking in our operations and supply chains. We conduct thorough due diligence and have found no evidence of such practices to date. Our policies and staff training include clear guidance on identifying and addressing modern slavery risks.

I) Environmental reporting

Those living in poverty are often the most affected by environmental challenges. As an organisation, we are committed to playing our part in addressing these issues.

We regularly assess our carbon footprint, taking steps to reduce and offset our emissions to uphold our carbon-neutral commitment.

Our baseline assessment was conducted in financial year 2019 where we emitted 1,017 tonnes of carbon. In financial year 2025 we reduced this to 328 tonnes (349 tonnes in financial year 2024)

Our highlight this year was a reduction of 51 tonnes of carbon because of a switch to a fully renewable electricity tariff for our office. In addition, several energy saving measures were installed in the office leading to a financial saving of £20,000 annually and the need to draw less energy from the grid.

- Our largest source of emissions remains air travel which increased to 143 tonnes of carbon (128 tonnes in financial year 2024). We take a considered approach to air travel, recognizing its necessity for our global mission while actively seeking to minimize its impact wherever possible.
- Our UK based car travel emissions emitted 110 tonnes of carbon (89 tonnes in financial year 2024). We consider the impact of travelling to have face to face engagements with supporters and encourage the use of electric vehicles where practical.
- Our third largest source of emissions was home working which incurred 43 tonnes of carbon which is the same as the previous year. This is the only area where emissions are higher than the 2019 baseline due to changing working habits following the pandemic.

This year we chose to calculate our own carbon assessment because this allowed us more choice over how we offset our emissions. We made a grant to fund solar panels and battery storage at the Compassion International office in Togo. Given that Togo's national grid is among the most carbon-intensive globally, this capital investment will not only help offset our emissions, it will also provide energy security and continuous operations. By installing solar at our partner office in Togo, we have offset approximately 110 tonnes of CO_2 per year, around 34% of our current annual emissions. Over the lifetime of the system, we expect to offset at least 1,650 tonnes of CO_2 in total

J) Fundraising statement

We are deeply committed to the belief that ending extreme poverty is achievable within our generation. This mission relies on engaging the public and inspiring action. We are grateful for the ongoing generosity and dedication of our supporters, whose steadfast involvement enables us to empower children and families to overcome the cycle of poverty.

Compassion UK upholds the highest standards of fundraising practice. We maintain membership with the Fundraising Regulator and adhering to both the Code of Fundraising Practice and the Fundraising Promise.

Our fundraising efforts are primarily led by our team members and volunteers, collaborating in partnership with a network UK churches and Christian event organisers. At these events, we share stories that highlight our impact and encourage others to support children through sponsorship.

Our supporters can also connect with us through public channels like our website and the Compassion App, which provide opportunities to sponsor children, contribute to emergency appeals, and participate in other fundraising initiatives.

We are thankful for the individuals who organise fundraising activities on our behalf, both independently and in collaboration with us. To ensure high standards, we regularly review and monitor third party fundraising, applying robust due diligence, reviewing agreements, and conducting performance assessments in line with the Code of Fundraising Practice.

While we do not engage professional fundraisers, we maintain longstanding partnerships with corporate supporters, some of which operate through agreements as Commercial Participators.

Our Supporter Charter and Complaints Policy, available on our website, details our approach to handling complaints. In 2024-2025, we received 34 fundraising-related complaints, all of which were addressed promptly and with all reasonable efforts made to resolve them satisfactorily. The trustees and senior leaders review these complaints regularly, ensuring lessons learned inform future training and improvements to our procedures.

In our direct marketing, we remain committed to offering our supporters choice and control over their communications, upholding strong data protection and privacy policies, and ensuring everyone we interact with is treated fairly and with respect. We track communication preferences and are registered with the Fundraising Preference Service (FPS), Mail Preference Service and Telephone Preference Service (TPS), promptly addressing any opt-out requests.

Our Policy on Supporters in Vulnerable Circumstances is accessible on our website. We ensure all fundraising team members and volunteers are trained to recognise and respond appropriately to supporters who may be in vulnerable situations, always prioritising their needs and treating them with dignity and respect.

Based on our monitoring and reviews during the reporting period, we identified no breaches of the Fundraising Regulator's requirements, the Code of Fundraising Practice, or other relevant standards during the reporting period. We remain committed to continuous improvement and best practice in all our fundraising activities.

K) Trustees' responsibilities in relation to the financial statements

The trustees (who are also the directors of Compassion UK Christian Child Development for the purposes of company law), are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the income and expenditure of the charity for that period.

In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities Statement Of Recommended Practice (SORP);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

- Each of the persons who is a trustee at the date of approval of this report confirms:
- That in so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- Each trustee has taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Under section 487(2) of the Companies Act 2006, Menzies LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

The company has chosen, in accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, to set out within the Strategic Report the Company's Strategic Report Information required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review and details of the principal risks and uncertainties.

The Trustees' Report (incorporating the Strategic Report) was approved by the Board of Trustees (which is also the Board of Directors) on the below date and signed on its behalf by Shaun Sinniah (Chair).

On behalf of the Board

B Shaun Sinniah

23/02/2026

L) Audit

The financial statements have been audited by Menzies LLP in accordance with applicable UK law and Accounting Standards. The audit provides assurance that the financial statements give a true and fair view of the charity's financial position and activities for the year. The statements have been properly prepared and comply with relevant statutory requirements for companies and charities

The audit was conducted independently and followed the International Standards on Auditing, ensuring the sufficiency and appropriateness of audit evidence. The auditors found no material misstatements and concluded that the financial statements accurately represent the charity's affairs and have been prepared on a going concern basis. The trustees have fulfilled their responsibilities in preparing the accounts, safeguarding assets, and ensuring compliance with legislative obligations.

The auditors report is included below:

Independent auditor's report to the members of Compassion UK Christian Child Development

Opinion

We have audited the financial statements of Compassion UK Christian Child Development ("the charitable company") for the year ended June 30, 2025. These financial statements include the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and related notes, including significant accounting policies. The financial reporting framework applied in their preparation is applicable law and United Kingdom Accounting Standards, specifically Financial Reporting Standard 102 (The Financial Reporting Standard applicable in the UK and Republic of Ireland), constituting United Kingdom Generally Accepted Accounting Practice.

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at June 30, 2025, and of its incoming resources and application of resources for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

Our audit was conducted in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are explained further in the section "Auditor's Responsibilities for the Audit of the Financial Statements." We are independent of the charitable company in accordance with relevant UK ethical requirements, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we concluded that the directors' use of the going concern basis of accounting is appropriate. Based on our work, we have not identified any material uncertainties related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern for at least twelve months from the authorization date of the financial statements. Further details regarding responsibilities related to going concern are set out in the relevant sections of this report.

Other Information

The other information comprises all information included in the annual report other than the financial statements and our auditor's report. The trustees are responsible for the other information. Our opinion on the financial statements does not extend to the other information, and we do not provide any assurance thereon unless otherwise explicitly stated. Our responsibility is to read the other information and consider whether it is materially inconsistent with the financial statements or our knowledge gained during the audit, or appears materially misstated. If we identify material inconsistencies or misstatements, we must determine whether this affects the financial statements. We are required to report if we conclude a material misstatement exists in other information. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the audit work performed:

- The information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- The trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained during the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters required by the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006, if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us;
- The financial statements are not in agreement with the accounting records and returns;
- Certain disclosures of directors' remuneration specified by law are not made;
- We have not received all the information and explanations required for our audit;
- The directors were not entitled to prepare the financial statements under the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report or from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for preparing financial statements that give a true and fair view, and for the internal controls necessary to ensure the financial statements are free from material misstatement, whether due to fraud or error. In preparing the financial statements, trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing matters related to going concern as applicable, and using the going concern basis of accounting unless the directors intend to liquidate the company or cease operations.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, reporting in accordance with the Acts and relevant regulations.

Our objective is to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including our opinion. Reasonable assurance is a high level of assurance but not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement. Misstatements may arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design audit procedures to detect material misstatements due to irregularities, including fraud, as outlined below:

- The charitable company is subject to laws and regulations directly affecting the financial statements, including financial reporting legislation. We determined the most significant laws and regulations to be the Companies Act 2006, Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005, Safeguarding Vulnerable Groups Act 2006, GDPR, and the UK Code of Fundraising Practice. Compliance was assessed as part of our audit procedures.
- We evaluated the company's compliance with these frameworks through inquiries to management, those responsible for legal and compliance, and the company secretary, corroborated by reviewing board minutes.
- The engagement partner assessed the engagement team's competence and capabilities to identify or recognize non-compliance with laws and regulations; no issues were identified.
- We assessed the susceptibility of the financial statements to material misstatement, including potential fraud, and identified the greatest potential for fraud in posting fraudulent journal entries, fictitious employees, and timing of revenue recognition.

Audit procedures included:

- Assessing the design effectiveness of fraud prevention and detection controls;
- Understanding governance considerations regarding controls and financial reporting;
- Challenging management's assumptions and judgments in significant accounting estimates;
- Identifying and testing unusual journal entries;
- Validating employees; and
- Reviewing and verifying income recognition in the accounts.

Due to the inherent limitations of an audit, there is a risk that not all irregularities, including those leading to material misstatement or non-compliance, will be detected. This risk increases when compliance is removed from the events and transactions reflected in the financial statements and is greater for fraud than error due to intentional concealment or misrepresentation.

Further details of our responsibilities are available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we may state to the charitable company's members those matters we are required to

state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Janice Matthews 23/02/2026

Janice Matthews FCA, Senior Statutory Auditor

For and on behalf of Menzies LLP, Statutory Auditor
Chartered Accountants
Statutory Auditor
Magna House, 18-32 London Road, Staines-upon-Thames, TW18 4BP

M) Financial statements – Statement of financial activity

(incorporating the income and expenditure account)

		For the year ended 30 June 2025				For the year ended 30 June 2024			
	Note	Restricted funds	Designated funds Most Needed	General funds	Total funds 2025	*Restated* Restricted funds	*Restated* Designated funds Most Needed	*Restated* General funds	Total funds 2024
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income from									
Voluntary income	5	35,142	9,779	7,752	52,673	34,240	10,376	7,524	52,140
Charitable activities	6	-	-	179	179	-	-	52	52
Interest		-	-	418	418	-	-	423	423
Profit/(Loss) on disposal of assets		-	-	(42)	(42)	-	-	(9)	(9)
Total income		**35,142**	**9,779**	**8,307**	**53,228**	**34,240**	**10,376**	**7,990**	**52,606**
Expenditure on									
Raising funds	7	-	2,185	5,166	7,351	-	1,919	4,697	6,616
Charitable activities									
Grant making	8	34,704	4,130	732	39,566	34,419	4,470	780	39,669
Child ministry costs	9	-	3,062	2,929	5,991	-	3,202	3,261	6,463
Total expenditure		**34,704**	**9,377**	**8,827**	**52,908**	**34,419**	**9,591**	**8,738**	**52,748**
Net movement in funds		438	402	(520)	320	(179)	785	(748)	(142)
Reconciliation of funds									
Total funds brought forward		279	1,736	7,216	9,231	458	951	7,964	9,373
Total funds carried forward		**717**	**2,138**	**6,696**	**9,551**	**279**	**1,736**	**7,216**	**9,231**

The statement of financial activity includes all gains and losses recognised in the year. All Income and expenses derive from continuing activities. Where appropriate in the financial statements, income, expenditure and reserves are classified as restricted (note 1L), designated (note 1K) or general funds (note 1J). Income and expenditure are shown after restrictions have been applied.

Prior year comparatives have been restated to enhance transparency (Note 21)

N) Financial statements - Balance sheet

	Note	As at 30 June 2025	*Restated* As at 30 June 2024
		£'000	£'000
Fixed assets			
Tangible assets	13	3,749	3,845
Intangible assets	13	121	-
Total fixed assets		**3,870**	**3,845**
Current assets			
Debtors	14	1,817	2,466
Cash at bank and in hand		7,876	5,803
Current asset investment	15	3,350	3,000
Total current assets		**13,043**	**11,269**
Liabilities			
Creditors: Amounts falling due within one year	16	7,362	5,883
Total liabilities		**7,362**	**5,883**
Net current assets		**5,681**	**5,386**
Total net assets		**9,551**	**9,231**
The funds of the charity			
Unrestricted funds			
General funds		6,696	7,216
Designated funds: Most Needed Fund		2,138	1,736
Total unrestricted funds		**8,834**	**8,952**
Restricted income funds	18	717	279
Total funds carried forward		**9,551**	**9,231**

Approved by the Board and signed on its behalf by Shaun Sinniah (Chair)

B Shaun Sinniah 23/02/2026

Company Registration Number 03719092

O) Financial statements - Cash flow statement

	As at 30 June 2025 £'000	As at 30 June 2024 £'000
Cash flows from operating activities		
Net income for the reporting period (as reported in the Statement of Financial Activities)	320	(142)
Adjustments for:		
Depreciation & amortisation charges	212	197
(Profit)/Loss on the sale of fixed assets	42	9
Dividends, interest and rents from investments	(418)	(423)
Decrease/(Increase) in debtors	649	144
(Decrease)/Increase in creditors	1,479	1,256
Net cash provided by operating activities	2,284	1,041
Cash flows from investing activities		
Dividends, interest and rents from investments	418	423
Amount (invested)/withdrawn in short term investments	(350)	90
Purchase of fixed assets	(279)	(205)
Proceeds from the sale of fixed assets	-	61
Net cash (used in)/provided by investment activities	(211)	369
Change in cash and cash equivalents in the reporting period	2,073	1,410
Cash in hand at beginning of period	1,347	546
Notice deposits (less than three months) at beginning of period	4,456	3,847
Total cash and cash equivalents at beginning of period	5,803	4,393
Cash in hand at end of period	2,115	1,347
Notice deposits (less than three months) at end of period	5,761	4,456
Total cash and cash equivalents at end of period	7,876	5,803
Change in cash and cash equivalents in the reporting period	2,073	1,410

P) Notes to the financial statements (including accounting policies):

1 Accounting policies Compassion UK Christian Child Development is a private charitable company limited by guarantee incorporated in England and Wales. The address of its registered office is set out on page 4, and a description of its principal activities is set out on page 9.

1A) Basis of preparation The financial statements have been prepared under the historic cost convention. These accounts have been prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), Accounting and Reporting by Charities: Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2019. The charity meets the definition of a public benefit entity under FRS 102. The reporting currency is GB Pounds Sterling, and the accounts are rounded to the nearest thousand (£'000). The principal accounting policies adopted in the preparation of the financial statements are set out below. The charity has adequate reserves and substantial recurring income. The trustees therefore consider that the charity will be able to meet its commitments for at least 12 months from the date of approval of these financial statements and for the foreseeable future. The accounts are accordingly prepared on a going concern basis.

1B) Income This is included in the Statement of Financial Activities when:

- The charity becomes entitled to the resources;
- The trustees believe it is probable they will receive the income; and
- The monetary value can be measured with sufficient reliability.

All donations for child gifts, Christmas, and disaster appeals are 100% restricted for their specific purposes. Most other donations are 80% restricted for their specific purpose. All restricted donations are granted to Compassion International. If income is received for a future period, such as a sponsor pays support a year in advance, we record it as deferred income. Gift Aid income is recorded when the claim is made, even if the claim is backdating into a previous period. For legacy income, if we have seen sufficient evidence that we have been left money and can reasonably estimate the amount it will be recorded as income in the year we were notified. We do not include the value of voluntary help in the accounts, but we describe it in our annual report. Investment income is recorded when it is due to be received.

1C) Critical accounting estimates and areas of judgements are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The main area of judgement is in relation to the allocation of central overhead costs between the various expenditure categories on the Statement of Financial Activities, the basis of which is set out in note 1(F). Compassion makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. In the opinion of the trustees, the main estimate and assumption that

may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are in relation to the useful life of fixed assets, which are written off in accordance with the depreciation policies set out in note 1(E).

1D) Fixed assets are capitalised if they can be used for more than one year and cost at least £5,000. They are valued at cost on receipt.

1E) Depreciation and amortisation are calculated to write off the cost of the assets brought into use less their residual value over their expected useful lives using the following rates:

Computer hardware: 25% straight line

Motor vehicles: 25% straight line to estimated residual value

Software: 25% straight line

Furniture, fixtures and plant: 10% straight line

Building structure: 2% straight line. Our assessment of our office valued the land at £1.3m. The rest of the structure, including the car park, is constructed from durable materials and has been estimated to have a useful life of 50 years.

1F) Expenditure All expenditure is accounted for gross and when incurred. Expenditure is included in the Statement of Financial Activities on an accruals basis and, because the charity is unable to recover any UK Value Added Tax paid, inclusive of that irrecoverable VAT. Expenditure includes the direct costs of the activities and depreciation on related assets. Where such costs relate to more than one functional cost category, they have been split on an estimated time, floor space or other basis, as appropriate. A functional breakdown of expenditure is shown in notes 7 to 10. Expenditure on raising funds are the direct costs and an appropriate allocation of support costs that were used to attract donations. Expenditure on charitable activities include: monies remitted to Compassion International and other organisations in respect of child sponsorship income; costs of supporting and providing information and education to child sponsors, including a share of the costs of the charity's magazine; and other costs incurred directly in meeting the aims of the charity. Child grants include all monies paid to Compassion International and other organisations for the direct benefit of children. Child ministry and advocacy costs include all costs incurred in the ministry of children and raising awareness on their behalf. This expenditure includes an appropriate allocation of support costs of central functions that have been allocated to activity cost categories on a basis consistent with the use of resources, for example, by estimated staff time or floor space.

1G) Foreign Currencies Assets, liabilities, revenues and expenditure in foreign currencies are translated into Sterling at the rates of exchange ruling on the date on which transactions occur, except for monetary assets and liabilities, which are translated at the rate ruling at the balance sheet date were material. Transactions to be settled at a contracted rate and trading transactions covered by a related or matching forward contract are translated at those contracted rates. Differences arising on the translation of such items are dealt with in the Statement of Financial Activities.

1H) Grants Grants payable are recognised as expenditure when the commitment is entered into. Where such a grant is to be paid over instalments, the outstanding balance is disclosed as a liability.

1I) Operating leases Rentals payable under operating leases are charged to the Statement of Financial Activities on a straightline basis over the period of the lease.

1J) General funds General funds are funds available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

1K) Designated funds Designated funds are unrestricted funds that have been set aside at the discretion of the trustees for a specific, but not legally binding, purpose.

1L) Restricted funds Restricted funds are income received for a particular purpose as specified by the donor or supplier, less expenditure applied for such a purpose.

1M) Pension costs Compassion UK operates a money purchase pension scheme whereby it pays eligible staff defined contributions into the charity pension scheme. The contributions are charged to the Statement of Financial Activities as they become payable, and the charity's liability is limited to the amount of the contributions.

1N) Liabilities Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

1O) Financial instruments The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

1P) Current asset investments Current asset investments are investments that the charity holds with a maturity date of less than one year. Investment properties are measured at fair value.

2) Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of a winding up is limited to £10

3) Compassion charities

Compassion International

The charity has a commitment to donors that at least 80% of monies received from child sponsorship and other child grants are transferred to Compassion International in the USA, who administer the distribution of funds for the benefit of each child on behalf of the charity (and other Compassion partners). The amount of these funds granted during the year was £38,801,000 [FY24 £38,886,000] of which £2,782,000 [FY24 £2,757,000] was owed at the year-end and a further £2,721,000 [FY24 £1,169,000] was accrued. The outstanding amount represents the June 2025 grant and was transferred to Compassion International after the year-end. The UK charity is actively involved in the overall administration of the support given to children and in the decisions made by the international partnership of Compassion charities. Compassion International paid expenses of £12,000 [FY24 £23,000] to Compassion UK. Compassion UK incurred expenses of £127,000 [FY24 £55,000] to Compassion International of which £21,000 [FY24 £25,000] was accrued at year end.

Compassion Ireland

During the year Compassion Ireland's administration requirements have been undertaken for an agreed fee of £57,000 [FY24 £45,000]. Compassion Ireland paid expenses of £10,000 [FY24 £83,000] to Compassion UK and Compassion UK transferred income of £3,000 [FY24 £2,000] to Compassion Ireland. The year end intercompany balance owing by Compassion Ireland is £23,000 [FY24 £48,000].

4) Net movement in resources for the year

	For the year ended 30 June 2025 £'000	For the year ended 30 June 2025 £'000
Depreciation and amortisation of fixed assets	212	197
(Profit)/Loss on disposal of fixed assets	42	9
Annual audit fees	39	31
Other fees paid to auditor for advice/consultancy etc	2	2
Foreign exchange (gains)/losses	3	(9)

5) Voluntary income by fund and by source

	For the year ended 30 June 2025				For the year ended 30 June 2024			
	Restricted funds £'000	Designated funds *Most needed* £'000	General funds £'000	Total funds 2025 £'000	*Restated* Restricted funds £'000	*Restated* Designated funds *Most needed* £'000	General funds £'000	Total funds 2024 £'000
Voluntary income by fund								
Sponsorship programme	29,196	-	7,299	36,495	28,841	-	7,209	36,050
Community, survival & refugee programmes	663	-	81	744	338	-	65	403
Sponsorship Plus	535	-	130	665	534	-	129	663
Targeted Response	1,029	-	230	1,259	614	-	103	717
Gifts to children, families and projects	2,742	-	-	2,742	2,581	-	-	2,581
Christmas appeal	831	-	-	831	896	-	-	896
Disaster relief	96	-	-	96	382	-	-	382
Most needed	-	9,779	-	9,779	-	10,376	-	10,376
Other donations	50	-	12	62	54	-	18	72
Total voluntary income by fund	**35,142**	**9,779**	**7,752**	**52,673**	**34,240**	**10,376**	**7,524**	**52,140**
Voluntary income by source								
Donations	34,601	955	7,651	43,207	34,010	785	7,494	42,289
Gift Aid	-	8,468	-	8,468	-	8,489	-	8,489
Legacies	47	356	101	504	146	1,102	30	1,278
Grants from Compassion entities	494	-	-	494	84	-	-	84
Total Voluntary Income	**35,142**	**9,779**	**7,752**	**52,673**	**34,240**	**10,376**	**7,524**	**52,140**

6) Charitable activities

	For the year ended 30 June 2025	For the year ended 30 June 2024
	£'000	£'000
Compassion Ireland service income	57	45
Other charitable activities	122	7
Total	**179**	**52**

7) Expenditure on raising funds

	Note	For the year ended 30 June 2025	For the year ended 30 June 2024
		£'000	£'000
Direct costs excluding staff		3,167	2,763
Direct staff costs		2,866	2,259
Apportioned support costs	10	1,318	1,594
Total		**7,351**	**6,616**

8) Grant making

	Note	For the year ended 30 June 2025				For the year ended 30 June 2024			
		Restricted Funds	Designated Funds *Most Needed*	General Funds	Total	Restricted Funds	Designated Funds *Most Needed*	General Funds	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Sponsorship programme		29,195	-	-	29,195	28,841	-	-	28,841
Community, survival & refugee programmes		1,199	1,202	-	2,401	578	2,143	-	2,721
Targeted response		638	484	-	1,122	790	375	-	1,165
Gifts to children, families and projects		2,699	5	-	2,704	2,585	-	-	2,585
Christmas appeal		827	-	-	827	895	-	-	895
Disaster relief		97	2,406	-	2,503	676	1,946	-	2,622
Other Compassion grants		49	-	-	49	54	3	-	57
Total child grants to Compassion International	**(i)**	**34,704**	**4,097**	**-**	**38,801**	**34,419**	**4,467**	**-**	**38,886**
Grants made to other organisations		-	33	-	33	-	3	2	5
Total grants		**34,704**	**4,130**	**-**	**38,834**	**34,419**	**4,470**	**2**	**38,891**
Grant making support costs	10	-	-	732	732	-	-	778	778
Total costs of grant making		**34,704**	**4,130**	**732**	**39,566**	**34,419**	**4,470**	**780**	**39,669**

i) Compassion International grants directly fund programmes and a share of local and global costs at Compassion International. (See page 12).

9) Child ministry costs

	Note	For the year ended 30 June 2025				For the year ended 30 June 2024			
		Restricted Funds	Designated Funds *Most Needed*	General Funds	Total	Restricted Funds	Designated Funds *Most Needed*	General Funds	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Direct child ministry costs	(ii)	-	3,062	-	3,062	-	3,202	-	3,202
Child ministry support costs	10	-	-	2,929	2,929	-	-	3,261	3,261
Total child ministry costs		**-**	**3,062**	**2,929**	**5,991**	**-**	**3,202**	**3,261**	**6,463**

(ii) Direct costs for child ministry are costs of supporting and providing information to supporters that create relationships between child and supporter. This includes child letters and the proportion of facilities, IT and staff time allocated to supporting the relationship between the sponsor and the child.

10) Analysis of support costs

	For the year ended 30 June 2025				For the year ended 30 June 2024			
	Raising Funds	**Grant Making**	**Child Ministry**	**Total Support Costs 2025**	**Raising Funds**	**Grant Making**	**Child Ministry**	**Total Support Costs 2024**
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Facilities management	105	31	124	260	107	32	125	264
Information technology	425	210	840	1,475	358	224	896	1,478
Operations including finance and HR	232	47	189	468	235	52	360	647
Support salaries	556	429	1,717	2,702	893	451	1,802	3,146
Audit and accounting fees	-	8	31	39	-	6	25	31
Trustee, board & compliance costs	-	7	28	35	1	13	53	67
Total	1,318	732	2,929	4,979	1,594	778	3,261	5,633

11) Staff

	For the year ended 30 June 2025	**For the year ended 30 June 2024**
	£'000	£'000
Wages and salaries	5,706	5,738
Pensions	692	684
Social security costs	633	592
Health insurance and other HR costs	132	102
Total	**7,163**	**7,116**

	For the year ended 30 June 2025 Full time equivalent	For the year ended 30 June 2024 Full time equivalent
Management	5	5
Support and administration	36	36
Supporter relations	39	46
Fundraising and communications	61	63
Total full time equivalent staff	**141**	**150**
The number of employees whose remuneration for the period fell within the following bands:		
£60k up to £70K	7	6
£70k up to £80K	2	4
£80k up to £90K	3	1
£110K up to £120K	1	1

	For the year ended 30 June 2025 £'000	For the year ended 30 June 2024 £'000
Pension contributions for employees earning more than £60K	126	111
Payments in the year to defined contribution pension scheme on behalf of employees	692	684
Defined contribution pension balance at year end	1	56
Remuneration, including national insurance and benefits, of key management personal as listed on page 5	578	525
Redundancy costs incurred during the year	32	7

	For the year ended 30 June 2025 Headcount	For the year ended 30 June 2024 Headcount
Total staff headcount	162	172

12) Trustees' remuneration

No trustees' remuneration was voted during the year.

Six trustees received expenses in the year. The total of these expenses was £300 [FY24 £1,600].

Richmond Wandera visited the UK from Uganda during the year for board meetings and to promote Compassion UK. The cost of this trip was £3,800 [FY24 £8,000].

The total premium paid for trustee indemnity insurance in the year was £1,000 [FY24 £1,000].

13) Fixed assets

	Tangible assets					Intangible assets
	Furniture, Fixtures and Plant	**Computer Hardware**	**Motor Vehicles**	**Freehold Land and Buildings**	**Total**	**Computer Software**
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
Balance at 01 July 2024	525	277	186	3,656	4,644	1,239
Additions for the year	82	-	-	68	150	129
Disposals for the year	(91)	-	-	-	(91)	-
Balance at 30 June 2025	**516**	**277**	**186**	**3,724**	**4,703**	**1,368**
Depreciation/amortisation						
Balance at 01 July 2024	281	134	68	316	799	1,239
Disposals for the year	(49)	-	-	-	(49)	-
Depreciation for the year	95	19	36	54	204	8
Balance at 30 June 2025	**327**	**153**	**104**	**370**	**954**	**1,247**
Net Book Value						
At 01 July 2024	**244**	**143**	**118**	**3,340**	**3,845**	**-**
At 30 June 2025	**189**	**124**	**82**	**3,354**	**3,749**	**121**

14) Debtors

	As at 30 June 2025 £'000	As at 30 June 2024 £'000
Compassion Ireland	23	48
Accrued income	950	1,924
Other debtors and grants receivable	102	84
Prepayments	742	410
	1,817	**2,466**

15) Current asset investments

	As at 30 June 2025 £'000	As at 30 June 2024 £'000
Asset held for sale	350	-
Cash held on deposit	3,000	3,000
	3,350	**3,000**

16) Creditors

	Note	As at 30 June 2025	As at 30 June 2024
		£'000	£'000
Compassion International		2,782	2,757
Deferred income	17	276	606
Trade creditors		1,047	513
Accruals		3,096	1,815
Other taxation and social security		160	136
Pension contributions outstanding		1	56
		7,362	**5,883**

17) Deferred income

	As at 30 June 2025	As at 30 June 2024
	£'000	£'000
Deferred income brought forward	606	344
Deferred income released in the year	(424)	(193)
Income deferred in the year	94	455
Deferred income carried forward	**276**	**606**

Deferred income relates to donations where the benefit to the participants will not be received until a future period. For instance, where a donor has paid as sponsorship upfront.

18) Restricted funds

	Restated Balance at 01 July 2024 £'000	Restricted income £'000	Transfer £'000	Restricted expenditure £'000	Balance at 30 June 2025 £'000
Sponsorship programme	-	29,196	-	29,195	1
Community, survival & refugee programmes	-	664	535	1,199	-
Sponsorship Plus	-	535	(535)	-	-
Targeted response	278	1,029	-	639	668
Gifts to children, families and projects	-	2,742	-	2,699	43
Christmas appeal	1	831	-	827	5
Disaster relief	-	96	-	96	-
Other funds	-	49	-	49	-
Total	**279**	**35,142**	**-**	**34,704**	**717**

	Restated Balance at 01 July 2023 £'000	*Restated* Restricted Income £'000	Transfer £'000	Restricted expenditure £'000	*Restated* Balance at 30 June 2024 £'000
Sponsorship programme	-	28,841	-	28,841	-
Community, survival & refugee programmes	-	338	240	578	-
Sponsorship Plus	-	534	(534)	-	-
Targeted response	454	614	-	790	278
Gifts to children, families and projects	4	2,581	-	2,585	-
Christmas appeal	-	896	-	895	1
Disaster relief	-	382	294	676	-
Other funds	-	54	-	54	-
Total	**458**	**34,240**	**-**	**34,419**	**279**

Purpose of restricted funds

Child sponsorship: Church driven programmes to relieve poverty amongst sponsored children and unsponsored children waiting for a sponsor.

Community, survival & refugee programmes: Church driven programmes to relieve poverty among children. There are no sponsored children in these programmes.
Sponsorship Plus: Additional support for beneficiaries and to address critical needs of children around the world, including Child Survival Interventions, medical emergencies, disaster relief and preventative health. During the year, £535,000 was transferred to other appropriate restricted funds.
Targeted response: Meeting vital needs outside of what our child sponsorship, community survival and refugee programmes cover.
Gifts for children, families and projects: To bless the child or their family with additional gifts or to bless the church project with additional resources.
Christmas appeal: To provide a present and a celebration for each child.
Disaster relief: Critical relief for sponsored children and their projects, including reconstruction.
Other funds: This brings together all remaining funds, each of which is too small on its own to be listed separately in the annual report.

19) Related party transactions

During the year, Richmond Wandera was engaged to speak at several UK events on behalf of Compassion UK. In connection with this work, a payment of £5,028 was made to The Pastors Discipleship Network, a non-profit organisation based in Uganda, of which Richmond Wandera serves as a director.

20) Analysis of net assets between funds

	As at 30 June 2025			As at 30 June 2024		
	Fixed Assets	**Net Current Assets**	**Total**	**Fixed Assets**	*Restated* **Net Current Assets**	*Restated* **Total**
	£'000	£'000	£'000	£'000	£'000	£'000
Restricted Funds	-	717	717	-	279	279
Designated Funds *Most Needed*	-	2,138	2,138	-	1,736	1,736
General Funds	3,870	2,826	6,696	3,845	3,371	7,216
	3,870	**5,681**	**9,551**	**3,845**	**5,386**	**9,231**

21) Prior year adjustment

Restatement of legacy income

During the year, the Trustees identified an error in the classification of legacy income within voluntary income (donations and legacies) between general, designated and restricted funds in the prior financial year. Legacy income had previously been treated as restricted or designated income in the financial statements. Following a subsequent review of the underlying donor documentation, it was identified that, in most cases, legacies did not carry donor-imposed restrictions and therefore did not meet the definition of restricted funds. As a result, comparative figures have been restated to reflect legacy income within unrestricted funds where no valid restriction existed. The correction of this error does not represent a change in accounting policy.

The prior year adjustment resulted in no change to total voluntary income or total funds but affected the allocation of voluntary income and fund balances between general, designated and restricted funds. Accordingly, the opening fund balances have been restated. The effect of the correction was a decrease in the restricted fund balance of £654,000 an increase in designated funds of £785,000 and a decrease in general funds of £131,000.

Unrestricted donations

The charity altered the presentation of unrestricted donations. Previously 20% of unrestricted donations were apportioned into the general fund and 80% into the Most Needed Fund.

This made it harder to show how all designated donations had been utilised.

A change was made retrospectively so instead all unrestricted funds were allocated to the Most needed fund instead of separating out 20% into the general fund on receipt. Fundraising costs equivalent to that 20%, previously allocated to the general fund, was instead shown as funded by the Most needed fund. This is not a change of accounting policy nor an error.

Impact on comparative statement of financial activities for the year ended 30 June 2024

	Restricted funds £'000	Designated funds Most Needed £'000	General funds £'000	Total funds 2024 £'000
Total income 2024 as previously stated	*34,894*	*7,672*	*10,040*	*52,606*
Restatement of legacy income	*(654)*	*785*	*(131)*	*-*
Improved presentation of unrestricted donations	*-*	*1,919*	*(1,919)*	*-*
Total income 2024 as restated	**34,240**	**10,376**	**7,990**	**52,606**
Expenditure on				
Raising funds 2024 as previously stated	*-*	*-*	*6,616*	*6,616*
Improved presentation of use of unrestricted donations	*-*	*1,919*	*(1,919)*	*-*
Raising funds 2024 as restated	-	1,919	4,697	6,616
Charitable activities 2024	34,419	7,672	4,041	46,132
Total expenditure 2024 as restated	**34,419**	**9,591**	**8,738**	**52,748**
Increase/(Decrease) movement in funds 2024 as previously stated	*475*	*-*	*(617)*	*(142)*
Effect of restatement of legacy income and improved presentation as noted above	*(654)*	*785*	*(131)*	*-*
Increase/(Decrease) movement in funds as restated	**(179)**	**785**	**(748)**	**(142)**
Total funds brought forward as previously stated	*1,538*	*-*	*7,835*	*9,373*
Restatement of legacy income in 2023	*(1,080)*	*951*	*129*	*-*
Total funds brought forward	**458**	**951**	**7,964**	**9,373**
Total funds carried forward as previously stated	*2,013*	*-*	*7,218*	*9,321*
Effect of restatement of legacy income and improved presentation as noted above	(1,734)	1,736	(2)	-
Total funds carried forward	**279**	**1,736**	**7,216**	**9,231**

Impact on balance sheet at 30 June 2024

	2024 as previous stated £'000	Effect of prior year adjustment £'000	2024 as restated £'000
General funds	7,218	(2)	7,216
Designated funds: Most needed fund	-	1,736	1,736
Total unrestricted funds	**7,218**	**1,734**	**8,952**
Restricted funds	2,013	(1,734)	279
Total funds	**9,231**	**-**	**9,231**

All balance sheet fund movements above only affect net current assets.

COMPASSION UK CHRISTIAN CHILD DEVELOPMENT

England & Wales - Charity number 1077216

Accounts

Annual Report

AND FINANCIAL STATEMENTS 2023/2024

Releasing children from poverty
Compassion®
in Jesus' name

LEFT TO RIGHT: HANNA, TRIPHONIA, PRINCE AND VINCENT, MALAWI

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Highlights 2023/2024

115,605
CHILDREN AND YOUTH SUPPORTED

468,592
LETTERS WRITTEN

£52.6m
TOTAL INCOME

88%
OF INCOME WAS USED FOR CHARITABLE ACTIVITIES



FROM LEFT TO RIGHT: IKE, DEWI, AND SANTI, INDONESIA

A MESSAGE FROM JUSTIN DOWDS
CEO COMPASSION UK & COMPASSION IRELAND



At Compassion UK our heart's desire and the focus of our work is to see more children released from poverty in Jesus' name, working with the local church to help children overcome the complex barriers that poverty places in their way. As we look back at FY24 and lay out our plans for FY25, we remain resolutely rooted in prayer for God to guide and equip us in what continues to be a challenging global context.

We've each been called to Compassion's ministry because we want to put an end to extreme poverty. The percentage of children living in extreme poverty has effectively remained unchanged since 2019. That equates to 333 million children existing on less than $2.15 a day.

We need to pause and comprehend what this number represents. $2.15 a day only considers food, clothes and basic shelter. It doesn't allow for our human need - and right - for health, education, sanitation. It doesn't allow for quality of life. 333 million children are getting by with barely enough to exist. This injustice cannot go unchallenged.

That's why we set our long-term goal of serving 200,000 children in effective programmes by 2030 and we remain prayerfully and steadfastly committed to that goal, playing our part in the wider strategy of Compassion International to advance life outcomes for many more children and youth living in poverty more quickly. As we look back over the last 12 months, and indeed the last 25 years, we give thanks to God for his guidance and provision, we give thanks for the partnership of the local church and the dedicated individuals who support our ministry, and we're encouraged by God's promise that he will do 'immeasurably more than we ask or imagine, according to his power that is at work in us.'

Our goal for FY24 was to continue to serve at least 116,142 children in poverty in effective programming while creating new ways to grow. The total number of children supported was 537 below our goal. At the end of the year, we were supporting 115,605 children and young people who exchanged 468,592 messages of support with their sponsors.

In FY24, we found new sponsorships for 8,011 children which was short of our goal of 9,105. It has continued to be challenging to return to pre-pandemic levels of sponsorship growth. We're grateful for the ongoing relationships with churches across the UK who partner with us in our mission. Over the last 12 months we've held 365 services celebrating those partnerships and 144 launch events at new churches. We're also grateful for our incredible, servant-hearted volunteers who gifted over 8,000 hours of their time at festivals, services, and in the UK office to help raise awareness and encourage more people to release children from poverty in Jesus's name.

Several factors, including the high inflation rate in many of the countries we work over recent years, currency exchange rates, food security and climate change, meant we took the prayerful and considered decision to undertake a sponsorship rate increase. This enables us to continue to provide excellent care to the children and young people we serve. We're grateful for the committed response from our supporters, the vast majority of whom agreed to this increase and continue to sponsor through Compassion.

We continue to work innovatively with national offices and local churches to provide holistic child development and as a result there are now 8,510 children being supported in pilot projects. Over the last two years, our innovation programme has allowed us to settle on four new ways for supporters to engage with the ministry, which we aim to offer more widely during this coming year.

A significant amount of innovation within our projects is made possible thanks to Gift Aid. Gift Aid funds were also used to provide vital aid for the global food crisis, particularly in Ethiopia.

Thank you once again for partnering with us, and for all your ongoing support and prayer. It is only together, under God, that we can fulfil our calling to release more children from poverty in Jesus' name.

RELEASED FROM POVERTY INTO LEADERSHIP

"On several occasions, I asked myself, 'Does God care about me?' Because poverty was teaching me that God didn't care, that I wasn't important, that I was not valuable. And it was in the middle of that, that God used Compassion to show me His love and His care for me.

"When I was seven, I was shining shoes in the street; when I was 14, I was fixing and assembling computers; when I was 23, I was already an IT manager.

"We don't know how God is going to use the child you are sponsoring today, but we do know for sure we are changing one life; we are impacting a community; we are bringing glory to the Lord."

TONY BELTRAN, Compassion International National Director, Dominican Republic



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Objectives &ACTIVITIES

“Whenever sponsor’s letters arrive at the Centre, Thidaporn is always excited, and we get excited with her too! It really means a lot to our family and to know that someone far away is caring for us in prayer.” — Kansuda

THIDAPORN (RIGHT) AND HER MOTHER, KANSUDA (LEFT), THAILAND

WHO WE ARE

CHRIST CENTRED

Jesus is at the centre of everything we do. Our programmes show God's love to children living in poverty. Whilst Christ's love motivates us, we help children and families from all backgrounds, regardless of belief.

CHILD FOCUSED

We intentionally begin with children, the most vulnerable to the devastating effects of poverty. We support children in every area of their lives, tackling the root causes of poverty that hold them back.

CHURCH DRIVEN

We believe the Church is the hope of the world. We run our programmes in exclusive partnership with local churches because they know their communities inside out.

COMPASSION'S VALUES:
Integrity, excellence, stewardship, dignity, discernment



AT A GLOBAL LEVEL

COMPASSION UK

IS PART OF THE WIDER COMPASSION FAMILY

MADE UP OF
16
GLOBAL FUNDRAISING PARTNERS

WE WORK IN
29
COUNTRIES

WITH
8,852
FRONT-LINE CHURCHES

WHO ALTOGETHER SUPPORT
2,365,835
CHILDREN

OUR MISSION:

RELEASING CHILDREN FROM POVERTY IN JESUS' NAME

Our charitable purpose as defined by our articles of association:

THE RELIEF OF POVERTY, SUFFERING OR DISTRESS AMONGST CHILDREN.

THE EDUCATION AND TRAINING OF CHILDREN.

TO ADVANCE THE CHRISTIAN FAITH IN ALL OR ANY PART OF THE WORLD.

THE DEVELOPMENT OF CHILDREN TO SOCIAL AND SPIRITUAL MATURITY.

PUBLIC BENEFIT:
Our trustees review our activities each year to ensure we follow the Charity Commission's general guidance on public benefit and their specific guidance on the prevention or relief of poverty and the advancement of religion as defined by our articles of association.

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HOW WE SERVE CHILDREN

OUR 3 KEY PROGRAMMES

“Axel got very sick with dengue fever from the mosquitos. The (Compassion) project provided his medicines, which I could not afford. They were extremely expensive. I am thankful. God allowed me the blessing of a baby. I am so happy to have Axel. His name means ‘God makes you forget’. Through this blessing, God will allow me to forget the past. My life has changed because of the Survival programme. They even take us on family trips and arrange outings. We get to have meetings and celebrations.”

SEYLA AND HER SON AXEL



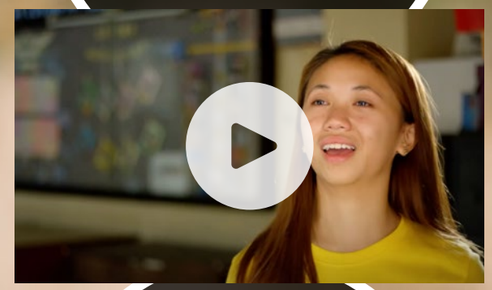
CHILD SURVIVAL

We reach at-risk children even before they’ve been born. Through access to pre- and post-natal care, nutritional supplies, vaccinations and critical support and training for mums, we give children the opportunity to not only survive but thrive.



INTERVENTIONS

Compassion Interventions equip us to take further action to help children and the communities in which they live. From the provision of safe drinking water to initiatives to tackle malnutrition and the distribution of emergency relief after a disaster, Compassion intervention save lives.



HOLISTIC CHILD AND YOUTH DEVELOPMENT

We believe that every child should be known, loved and protected and that they are precious and unique. Our Child Sponsorship Programme is tailored to meet the needs of each individual child. We want each one to have the opportunity to escape poverty and find hope for a better future. In addition to sponsorship, we continue to pilot new support models, including whole-project-funded sponsorship for children who have fled conflict into Uganda and Compassion Community.

STEWARDING YOUR SPONSORSHIP DONATIONS

We're committed to integrity and transparency when using your £32 a month donation.

We use a minimum of 80% of your donation to benefit your sponsored child. If you donate £32 a month, at least £25.60 is granted to Compassion International to bring lasting change to the child you're supporting.

HERE'S HOW IT WORKS.

£25.60 enables us to give your sponsored child access to Compassion's highly effective child development programme. It empowers the child you support to overcome poverty holistically and sustainably.

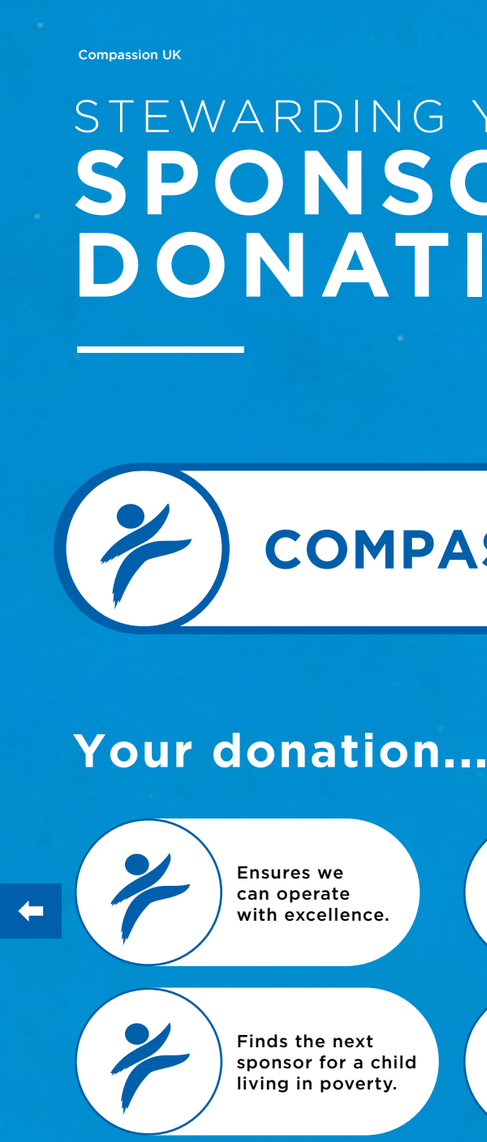
AND THE REST?

The remaining 20% of your donation is used just as strategically. While £25.60 of your monthly donation releases your individual sponsored child from poverty, the remaining £6.40 benefits other children and enables us to operate effectively with excellence.

COMPASSION UK → **LOCAL CHURCH WITH COMPASSION** → **CHILDREN**

Your donation...

- Ensures we can operate with excellence.
- Enables Compassion UK to thrive now and in the future.
- Finds the next sponsor for a child living in poverty.
- Gives us the ability to care for existing sponsors, including yourself!
- Maximises your investment in children's lives.
- Helps us operate with excellence on the ground.
- Provides suitable infrastructure.



At least 80% of your donation directly benefits children in Compassion's programme.



You equip the incredible team of staff and project volunteers who care for and mentor your sponsored child week in, week out.
By contributing to local project staff salaries and volunteer expenses, you give your sponsored child someone to listen to and disciple them.

SCARLET, AGED 6, ECUADOR

DISRUPTION TO COMPASSION'S ACTIVITIES

Compassion partners with local churches because we believe they are best placed to understand the needs of their communities. Our frontline church partners have established decades of trust, which enables them to cultivate supportive and empowering relationships with children and families.

This past year has seen the local church continue serving faithfully in the face of considerable challenge. Worsening economic pressures, conflict, natural disasters and climate change have forced our church partners into responding to immediate needs, while strategically cultivating longer-term solutions.

CONFLICT

HAITI

Since 2021, Haiti has been impacted by a series of compounding crises. Political turmoil, combined with economic instability and desperate circumstances has led to gang violence throughout the country. The capital, Port-au-Prince, is said to be in a 'cataclysmic situation' with about 80% controlled by gangs. Over 50,000 people have fled and over 1,500 people have been killed. In areas with high levels of gang violence, some frontline church partners have paused gathering at their projects to prioritise safety. In those instances, our church partners deliver programming as they are able. This might be through home visits or virtual options.

BURKINA FASO

Since June 2022, unrest has caused instability in Burkina Faso, limiting our frontline church partners' ability to gather children for regular activities. Due to increasing violence and instability, Compassion made the difficult decision to run limited programmes and suspend letter writing in those portions of the country. Projects are expected to return to normal from July 2024.

Designated funds have been held at Compassion International's headquarters and remain committed to the frontline churches and children in this region. They'll be distributed at the earliest opportunity.

Since the start of the unrest, Compassion has facilitated emergency support and training to social workers, volunteers and pastors on supporting children and youth with emotional trauma. We have also equipped frontline church partners in child protection and access to relief services provided by the government and other organisations.

INSTABILITY

Climate change has caused immense destruction of crops around the world from both drought and flooding. This, along with sharp rises in the cost of basic commodities and fuel have contributed to an extreme lack of food security for many countries and communities.

ETHIOPIA

Prolonged, consecutive droughts have been an extreme challenge in many regions, along with severe rains and flooding in the south, which have caused associated health issues such as outbreaks of cholera, measles and malaria.

Compassion Ethiopia has 94 local church partners affected, who've recorded 21,472 participants and their households as being directly impacted through illness, malnutrition and loss of livestock. The National Office has implemented relief and humanitarian aid, offering support on a prioritised basis. They have also provided aid for non-registered households in the most severely affected regions.

KENYA

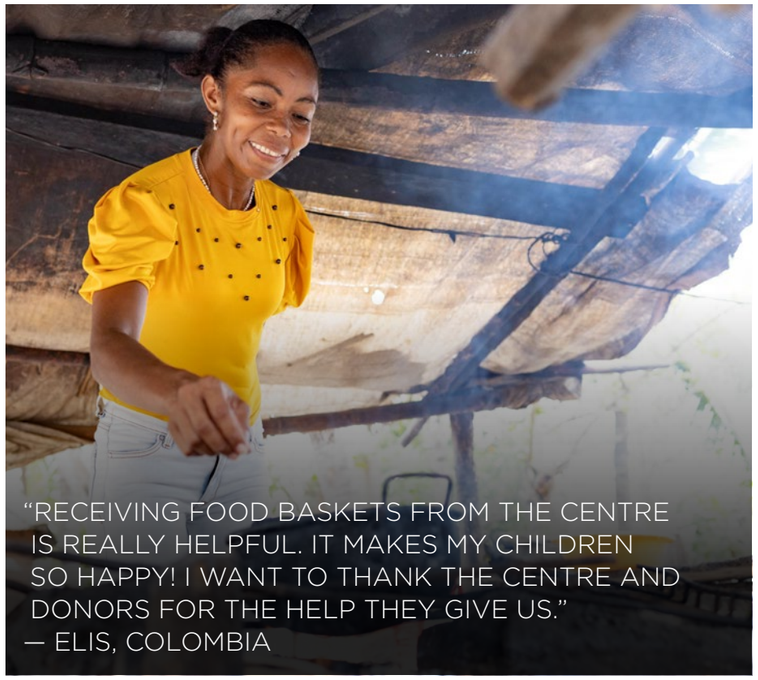
Kenya has experienced prolonged seasons of heavy rainfall caused by the El Niño climatic phenomenon. Countrywide, an estimated 120 people have lost their lives and almost 90,000 people have been displaced. Thousands of homes have been washed away or marooned by floods, while farmlands have been submerged and livestock drowned. Flash floods and landslides have destroyed roads and bridges in the northern, southeastern, and coastal counties, disconnecting them from the rest of the country.

Over 1,000 Compassion Kenya participants and their households have been affected from 42 frontline church partners. One caregiver is reported to have died because of the floods. A further 50 caregivers and siblings of registered participants have been seriously injured. Over 800 families are reported to need basic supplies, over 240 have lost livelihoods and over 170 homes have been destroyed.

Compassion Kenya has been working closely with our church partners in responding to these needs.



22 CAREGIVERS HAVE CREATED A COOPERATIVE, POOLING THEIR RESOURCES WITH THE CENTRE'S HELP TO BUY LAND FOR A TEA PLANTATION. THEIR EFFORTS ARE ALREADY YIELDING A HARVEST.
– GRACE, RWANDA



"RECEIVING FOOD BASKETS FROM THE CENTRE IS REALLY HELPFUL. IT MAKES MY CHILDREN SO HAPPY! I WANT TO THANK THE CENTRE AND DONORS FOR THE HELP THEY GIVE US."
— ELIS, COLOMBIA

UGANDA

Due to the food crisis, increased domestic violence had been reported along with cases of child abandonment and negligence. The director at one project says, "After the food distribution, the health condition of participants has significantly improved. The rate of disease among family members has reduced and marital relationships have also improved."

People did manage to plant some short-term crops. However, El Niño rains are predicted again. Kenya's National Office has implemented an action plan to help church partners with resilience and disaster management strategies.

Seventy-six church partners, supporting a total of 11,123 babies, children, and youth in the north-eastern and eastern regions have experienced their worst production losses in recent history. This is due to eroded capacity following two consecutive below-average production seasons and above-average prices for essential commodities.

RWANDA

After heavy rains, the Rwandan government has formed a taskforce for disaster mitigation and response. Families whose homes were destroyed or were in disaster-prone areas were evacuated and given temporary shelter while permanent solutions were sought. Compassion-supported families who were among those affected were given food, basic household items, and rent for temporary shelter where applicable.

Compassion Rwanda visited church partners to determine the number of homes in need of rebuilding or repair. They needed to improve housing for 378 families of participants from 45 frontline church partners. This intervention has helped over 2,316 people.

SPEAKING UP FOR CHILDREN

“The best part of volunteering with Compassion is the friendship and fellowship of working with a group of people who have a common passion, knowing that we are working to promote something so close to God’s heart.”



Our amazing volunteers gifted a total of **8,038** volunteer hours during the financial year.



Support volunteers have given **4,299 HOURS** either at Compassion House or remotely.



Volunteer speakers have spoken at **365** churches. With a total of **1,570** hours given and **385** children sponsored



Event volunteers have served at a total of **153** events,where **186** volunteers got involved, donating **2,268 HOURS**

He took a little child whom he placed among them. Taking the child in his arms, he said to them, “Whoever welcomes one of these little children in my name welcomes me; and whoever welcomes me does not welcome me but the one who sent me.”

Mark 9:36-37

LISBETH, PERU

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Strategic REPORT

AS A COMPASSION GRADUATE, JUSTINE NOW WORKS AS AN ADVOCATE FOR CHILDREN, HELPING THEM TO CONNECT WITH CHRISTIAN EDUCATION. SHE AND HER FELLOW COMPASSION GRADUATES WORK VERY HARD FOR THE NEXT GENERATION AND EVEN SPONSOR SOME CHILDREN.

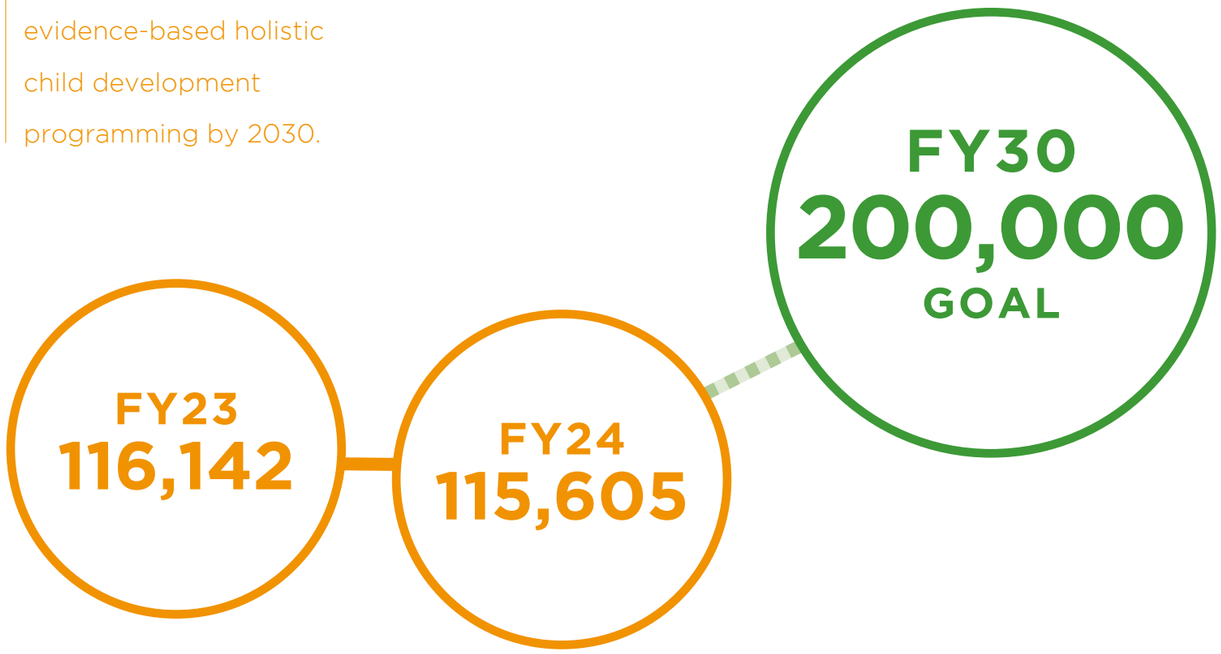
1 JULY 2023 – 30 JUNE 2030

STRATEGIC GOALS

Accelerate the rate of ministry growth to enable the support of more than 200,000 children in evidence-based holistic child development programming by 2030.

We have a highly ambitious long term goal to be serving 200,000 children by FY30. This goal forces us to innovate and change and to seek God's guidance.

Despite challenges our long-term desire continues to be to serve more children more quickly and our strategy reflects this.



IN PURSUIT OF OUR FY30 GOAL, WE AIMED TO ACHIEVE THE FOLLOWING IN FY24...

CONTINUE TO SERVE AT LEAST 116,142 CHILDREN IN POVERTY IN EFFECTIVE PROGRAMMING WHILE CREATING NEW WAYS TO GROW:

During FY24, the total number of children supported fell by 537 children.

The biggest factor in this was worse than expected sponsorship growth coupled with worse than expected sponsorship cancellations, which was partly a by-product of a successful sponsorship rate increase. Overall the number of sponsored children fell by 3,197

Progress was made in finding several new ways to support children in poverty which were created in the year and will become available to supporters during FY25. Children enrolled in these programmes have mostly offset the fall in the number of sponsored children.

FIND NEW SPONSORSHIPS FOR CHILDREN

During FY24, we wanted to increase the number of children we found sponsorships for by 18.2%. In the latter portion of FY23, there was evidence that this was a realistic goal. Instead, we achieved a 4% year on year increase. In the first half of the year we fell significantly short on our goal to raise sponsorships from local churches, though this improved in the latter part of the year. We achieved our goal of raising sponsorships at large Christian events. It has also been more difficult to raise sponsorships through digital advertising than hoped.



OPERATING WITH EXCELLENCE FOR THE FUTURE

We aimed to invest in team-level innovation to improve the way that we operate and to continuously improve. We have made strides in this direction, and implemented several projects that contribute towards this but have not yet fully embedded this. We also invested in a review of our supporter-focused IT platforms.



FOR AT LEAST 94.8% OF SPONSORS TO CONTINUE THEIR SPONSORSHIPS

We want sponsors to continue supporting children until they complete the sponsorship programme. The economic environment and our increased sponsorship rate prompted a higher cancel rate than hoped. Higher than expected cancellation rates were not unique to Compassion UK as we saw increased rates of cancellations globally among our partners in response to a global cost of living crisis. We also attended many more events during the year, some of which had much higher than typical early cancellation rates.



EMPOWER OUR PEOPLE TO THRIVE

To empower our people to thrive we have supported staff in owning their development and begun creating talent-development pathways.

We've also reduced the time positions remain vacant.



INCREASE THE SPONSORSHIP RATE TO £32 TO MAKE SURE OUR PROGRAMMES REMAIN EFFECTIVE AND ADEQUATELY FUNDED

To continue to effectively meet the needs of children in poverty, it was essential that we ensure that children in our sponsorship programmes were adequately supported financially. In FY24, most of our supporters allowed us to increase their monthly financial contribution from £28 per month, to £32 per month.



CREATE NEW WAYS FOR SUPPORTERS TO SUPPORT CHILDREN IN POVERTY

We believe in the transformative power of child sponsorship, but we know that it doesn't suit everyone who wants to release children from poverty in Jesus' name.

We aimed to create and test several new ways for supporters to be able to participate in Compassion's mission during FY24. Four new ways to support children in poverty will be available to supporters by 2025.



OVERALL GOAL IN FY25:

CONTINUE TO SERVE AT LEAST 115,605 CHILDREN IN POVERTY WHILE CREATING NEW WAYS TO GROW

FIND NEW SPONSORSHIPS FOR 7,942 CHILDREN

Our existing supporters remained very faithful throughout the UK cost-of living crisis. During FY25, we want to continue to find more sponsors for children in extreme poverty.



FOR AT LEAST 94.3% OF SPONSORS TO CONTINUE THEIR SPONSORSHIPS

We want sponsors to continue supporting children until they complete the sponsorship programme. This figure reflects a returning to normal level of supporter cancellations despite the still challenging economic environment. For those sponsors that can't or don't want to continue to sponsor children, we aim find other ways that these supporters can participate in our mission.



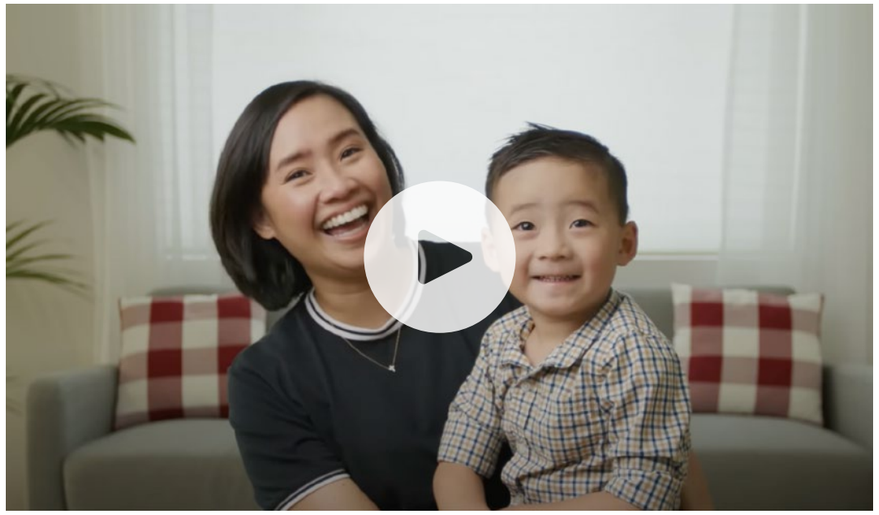
ALLOW SUPPORTERS TO SUPPORT CHILDREN IN POVERTY IN NEW WAYS

We believe in the transformative power of child sponsorship, but we know that it doesn't suit everyone who wants to release children from poverty in Jesus' name. We have created four new ways to engage with Compassion's mission in FY25 during which we will improve upon and evaluate these. We aim to raise £680,000 through these new opportunities to give. Ultimately in the long term, we are aiming to create 3 new products which can each support 20,000 children.





SOPHIA, BRAZIL



EMPOWER OUR PEOPLE TO THRIVE

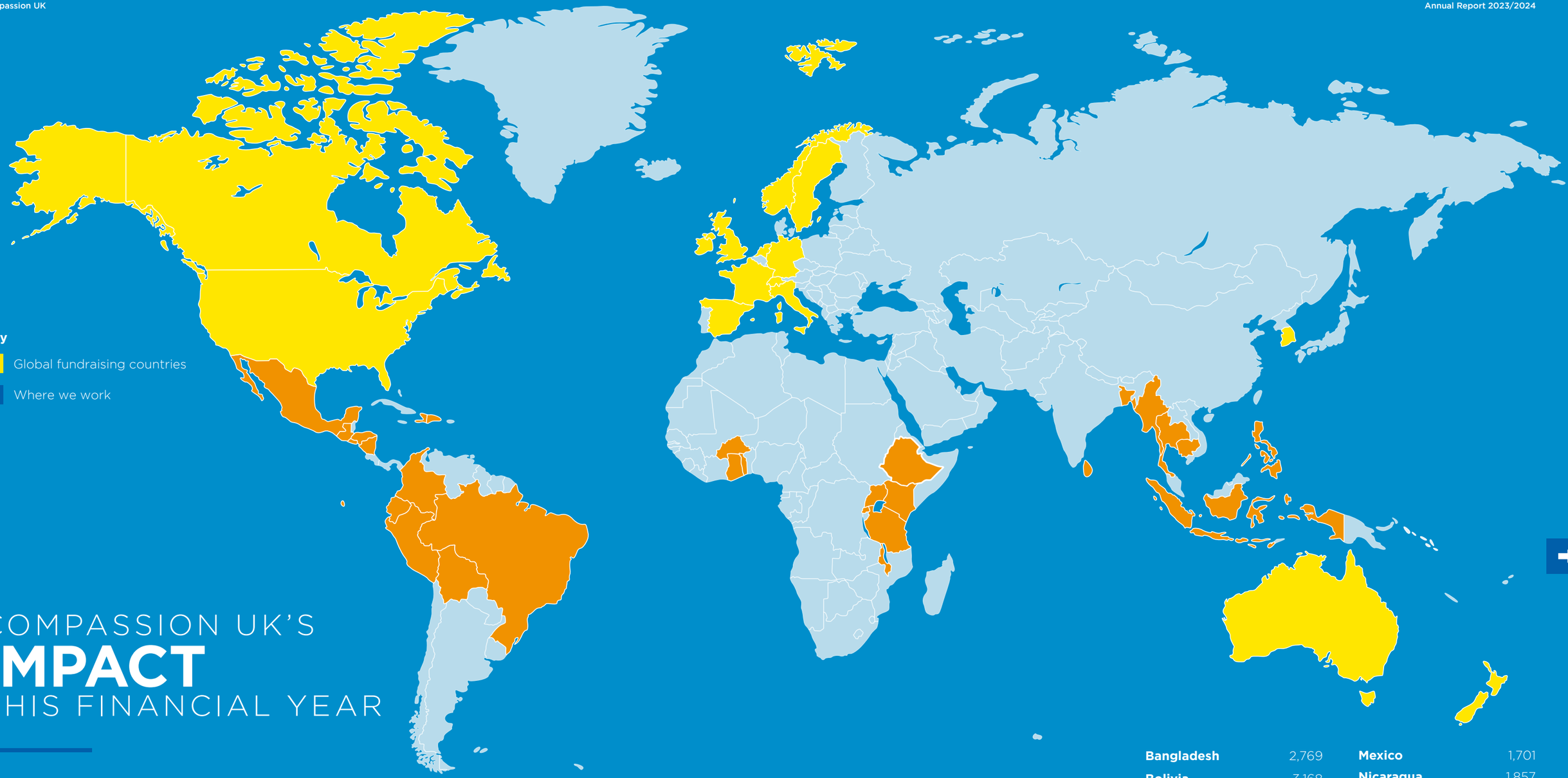
We aim to skill-map each role at Compassion. This will help identify and address our skills gap, enabling team members to achieve their goals and positioning Compassion for future needs.



OPERATING WITH EXCELLENCE FOR THE FUTURE

To ensure that we are an efficient and effectively run organisation we are changing the website technology we use. This will enable us to build and then reuse components, enabling us to support multiple giving opportunities. We are also continuing to review all our supporter-focused IT platforms and hope to begin implementing findings in the latter part of FY25.





COMPASSION UK'S

IMPACT

THIS FINANCIAL YEAR

CHILDREN SUPPORTED:

115,605

IN 29 COUNTRIES WHERE WE WORK

Bangladesh	2,769
Bolivia	3,168
Brazil	3,087
Burkina Faso	4,784
Columbia	2,761
Dominican Republic	1,840
Ecuador	2,060
El Salvador	2,147
Ethiopia	8,010
Ghana	7,088
Guatemala	1,895
Haiti	5,514
Honduras	1,415
Indonesia	4,319
Kenya	11,862
Mexico	1,701
Nicaragua	1,857
Peru	2,788
Philippines	3,060
Rwanda	10,780
Sri Lanka	2,288
Tanzania	5,497
Thailand	2,047
Togo	6,362
Uganda	16,506

Compassion has started to partner with churches in **Malawi**, **Myanmar**, **Cambodia** and **Zambia**. In these four countries, we're currently developing new church partnerships.

OUR SPONSORSHIP PROGRAMME

We connect one vulnerable child born into poverty with one sponsor. Through sponsorship, every child is provided with holistic care in each area of their lives - mind, body, heart and spirit.

12,726 CHILDREN WERE NEWLY SPONSORED

7,906 YOUNG ADULTS AND CHILDREN LEFT THE PROGRAMME

92.4% OF SPONSORS CONTINUED THEIR SPONSORSHIP

AT THE YEAR END, THERE WERE **101,667** CHILDREN AND YOUTH REGISTERED IN OUR SPONSORSHIP PROGRAMME, A DECREASE OF 1,500

OUR UNSPONSORED CHILD PROGRAMME

We ensure children benefit from quality holistic care while we try to find them a sponsor.

AT THE YEAR END, THERE WERE **5,301** CHILDREN BEING LOOKED AFTER WHILE WAITING FOR A SPONSOR, AN INCREASE OF **1,740**

COMPASSION COMMUNITY

We're piloting a new approach using Gift Aid funds to support whole projects in Rwanda and Uganda and are monitoring outcomes.

5,549 CHILDREN WERE BEING SUPPORTED IN THIS PROGRAMME THIS YEAR, A DECREASE OF 151.

1,961 ARE NO LONGER SUPPORTED BY COMPASSION UK AS DONORS WERE FOUND IN COMPASSION INTERNATIONAL FOR 9 PROJECTS IN GHANA.

OUR CHILD SURVIVAL INTERVENTIONS

We reach at-risk children even before they've been born. Through the provision of pre- and post-natal care, nutrition, and vaccinations, plus critical support and training for mums, we aim to give children the best start in life.

4,090 MOTHERS AND BABIES WERE REGISTERED IN CHILD SURVIVAL INTERVENTIONS BY THE YEAR END, A DECREASE OF **130**

SET UP **2** VOCATIONAL TRAINING CENTRES, TRAINING **1,200** YOUTH IN SKILLS INCLUDING CONSTRUCTION, MECHANICS AND SOLAR ENERGY.

OVER **58,000** PEOPLE IN ETHIOPIA SUPPORTED WITH EMERGENCY SUPPLIES OF CEREAL, OIL AND PULSES FOR 3 MONTHS

PARTNERED WITH 2 OTHER NGOS TO ASSESS THE MOST EFFECTIVE LEADERSHIP PROGRAM FOR TOGO. TRIALLING SOLUTIONS WITH **150** YOUTH.

REFUGEE SUPPORT

THIS YEAR WE REGISTERED **700** CHILDREN IN UGANDA WHO HAVE FLED CONFLICT IN THE DEMOCRATIC REPUBLIC OF CONGO AND SOUTH SUDAN ALONGSIDE **300** LOCAL UGANDAN CHILDREN

468,592 ENCOURAGING MESSAGES OF SUPPORT BETWEEN CHILDREN AND THEIR SPONSORS

REBUILT HOMES IN SRI LANKA AFTER FLOODING, BRINGING **19** FAMILIES BACK TO THEIR COMMUNITIES AND SUPPORT NETWORKS

BUILT **7** BOREHOLES IN GHANA AND UGANDA, PROVIDING SAFE WATER TO OVER **10,500** CHILDREN AND FAMILY MEMBERS

CONSTRUCTED **5** TOILET BLOCKS, SUPPORTING **1,500** CHILDREN AND THEIR FAMILIES AND COMMUNITIES

24,477 CHRISTMAS DONATIONS TOTALLING **£896,000** GIVEN TO THE CHRISTMAS APPEAL

FINANCIAL REVIEW
INCOME & EXPENDITURE

INCOME
£52.6m
(↑ £1.5m)

OTHER INCOME
£0.5m
(↑ £0.2m)

DONATIONS, GRANTS AND GIFT AID
£52.1m
(↑ £1.3m)

99.5% of income is donations and Gift Aid from the public

EXPENDITURE
£52.7m
(↑ £2.6m)

FUNDRAISING
£6.6m
(↑ £0.7m)

DEFICIT INCURRED
£0.1m

SUPPORT & GOVERNANCE
£4.0m
(↑ £0.5m)

FUNDS BENEFITING CHILDREN IN POVERTY
£42.1m
(↑ £1.4m)

88.5% donations were used for charitable activities

Hover over for more information

80.8% of all donations were used to benefit children in poverty

Hover over for more information

£2.0m

Sponsorship income increased by £2m due to an increase in the sponsorship rate

£0.8m

Intervention donations decreased by £0.8m due to lower giving in this area

£0.7m

Fundraising costs increased due to inflation and investment in innovation and testing

£1.4m

Funds benefiting children increased due to additional funds from rate increase and gift aid associated with this

FINANCIAL REVIEW
RESERVES

During the COVID-19 pandemic, opportunities to meet potential new supporters, in a cost-effective way, and introduce them to Compassion were limited. As a result, fundraising expenditure was reduced, which resulted in a lower number of sponsored children. This reduction in planned fundraising spending also resulted in the accumulation of excess general reserves.

The trustees and senior leadership team are acutely aware there has been a sharp rise in poverty due to factors such as inflation, food shortages, climate change and the after-effects of COVID-19.

There is an urgent need to provide additional support to children and youth who are already in the sponsorship programme, which has been partly addressed through the sponsorship rate change, while at the same time, there is a need to find more supporters who will be able to offer the funding to provide for children who are not yet being reached.

At the end of the financial year, Compassion UK held £7.2m in general reserves, of which £3.4m were free reserves. The trustee's policy is to hold six months of operational expenditure (£4.5m) in reserve to protect the organisation in unforeseen circumstances. The remaining £2.7m of general reserves are excess reserves that are being utilised over three years to increase the number of children supported by Compassion through investing in innovation and finding new supporters. In FY24 £0.6m of reserves were used as part of this planned deficit spending.

RESTRICTED RESERVES
£2.0m
(↑ £0.5m)

£0.5m

Restricted reserves increased due to legacies accrued.

GENERAL RESERVES
£7.2m
(↓ £0.6m)

£2.7m

Ringfenced to benefit children in poverty by building future growth capabilities and finding new supporters

£4.5m

General reserves minimum requirement (six months, operational expenditure)

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PRINCIPAL

RISKS AND UNCERTAINTIES

Robust risk management is crucial for effective governance and the successful achievement of Compassion UK's mission. The trustees of Compassion UK hold ultimate responsibility for risk management. They lead in setting the parameters of risk appetite statements and ensure that a risk management culture is embedded within the organisation.

Compassion UK maintains a risk register, and trustees review risks annually, focusing on those that may directly impact the achievement of strategic objectives. This proactive approach allows trustees to better anticipate and navigate long-term challenges or opportunities, enabling informed strategic decisions.

The risk management process at Compassion UK involves establishing oversight responsibilities and systematically applying key steps to identify, evaluate, respond to, monitor, record, and report on risks. The potential severity of each risk is determined by assessing the impact and likelihood of occurrence both before and after implementation of effective control measures.

To enhance efficiency and effectiveness, trustees delegate the detailed review of major strategic risks to the Finance and Audit Committee, the People and Culture Committee, and the Safeguarding Committee. These committees meet regularly throughout the year and report their findings to the Board.

The Executive Team, under delegated responsibility, is accountable for implementing mitigation measures related to strategic risks and managing operational risks within the risk appetite set by the Board. They report to the trustees on the organisation's overall risk management and escalate risks as appropriate when they have the potential to threaten the achievement of strategic objectives.

As a global partner of Compassion International, Compassion UK collaborates with all entities within Compassion's global partnership-based structure to ensure a holistic view and management of the most critical risks. This collaboration aims to protect the ministry, its global operations and help release more children from poverty in Jesus' name.

Summary of principal risks, uncertainties and mitigation actions

Potential and existing supporters become less responsive to Compassion UK's fundraising efforts resulting in reduced or cancelled donations and an overall decline in revenue. This is exacerbated by the failure to effectively reach and engage potential supporters and new audiences.

Potential Causes

Economic instability affecting supporters' disposable income and charitable giving, donor fatigue from frequent appeals from charities driven by high inflation, increased operational costs or rising global needs of children.

Additionally, limited or ineffective acquisition opportunities through events, church services, and digital platforms or failure to adapt marketing strategies and ways of giving to changing supporter behaviour and the fundraising environment.

Mitigating Actions

Generosity of supporters

We remain grateful and blessed to have supporters who continue to be inspired, even in these difficult times, to give generously and prevent more children being drawn into poverty. We show appreciation and provide regular updates to supporters on how their donations are making a significant difference in the lives of children and their families.

Fundraising appeals

Our commitment to the children we serve remains the same, but their needs have grown. In response to the global food crisis, extreme weather, drought, conflict and unstable political environments, we communicate clearly and consistently about the urgency and importance of donations in times of global crises to ensure more children and their families do not fall into food insecurity and extreme poverty.

Hedging

Careful planning means we can increase currency stability via currency hedging.

Diversifying revenue stream

We have developed a strategic focus on the diversification of our income including investigating innovative initiatives to create new products and revenue streams.

Supporter engagement and experience

We develop and deliver targeted campaigns and personalised communication telling impactful stories that enhance the understanding of the multidimensional nature of poverty to connect with existing and potential supporters.

Adapt Marketing Strategies

We tailor our efforts to align with changes in supporter behaviour and the fundraising environment. We also use social media, and cultivate new church and event organiser partnerships to reach new audiences, especially the younger generation.

We will continue to use creative approaches for our marketing and fundraising initiatives and explore new acquisition opportunities to maximise opportunities to reach wider audiences.

Negative perception of Compassion UK among potential and existing supporters.

Potential Causes

Adverse negative publicity and making statements on contentious issues can significantly damage the organisation's reputation. Additionally, unacceptable personal use of social media by employees and associated personnel, as well as misconduct or malpractice by anyone acting on behalf of Compassion UK can further erode public trust and confidence in the ministry.

Non-compliance with regulatory standards and legal requirements, personal data breaches, increasing cybersecurity threats, other incidents or crises and failure to take appropriate action may also contribute to the negative perception.

Mitigating Actions

Crisis Management and PR Strategy

We have a crisis management plan to handle adverse publicity and contentious issues effectively. This includes timely and appropriate responses to any negative media coverage. Our crisis communication processes includes collaboration with Compassion International and our UK-based PR agency, to manage any potential or emerging communications issues. We are committed to maintaining clarity, honesty and transparency in our communications to build trust and demonstrate accountability.

Serious Incidents Reporting Policy

We have clear, robust and rigorous serious incident reporting and whistleblowing policies and procedures which encourage reporting. There is a robust investigation process in the event of an actual or suspected incident. We take prompt action against any misconduct or malpractice by individuals or partners associated with the organisation. Compassion continues to be vigilant in embedding protection and safeguarding efforts into all areas of the ministry. This includes continuous investment in delivery of global training and improving systems for global reporting and incident management.

Working with the right partners

We have a rigorous recruitment and selection process for choosing partners we work with. Our partnership agreements set out responsibilities and expectations, including alignments with Compassion global policies and financial control frameworks, reporting and audit systems.

Our main national offices in each country have suitable and qualified staff who supervise local churches, overseeing child protection, safeguarding, financial, operational and regulatory compliance.

Social Media Policy

We have a Social Media Policy which provides guidelines for employees and associated personnel who engage in social media activities on behalf of the organisation or whose activities on social media in their personal capacity could be associated with Compassion in any way. This is to ensure that online behaviour aligns with the organisation's ethos and values and communication standards.

Compliance, Data Protection and Information Security Measures

We implement policies and procedures which ensure compliance with regulatory standards and legal requirements and conduct regular reviews for assurance and accountability purposes. We implement organisational practices and technical measures to prevent personal data breaches, including security enhancements to proactively identify cybersecurity threats, provide training, guidance and updates on data security to help mitigate risks.

Failures in effectively identifying, developing and utilising our team's talents, ineffective talent acquisition strategy or a suboptimal employee value proposition.

Potential Causes

Absence of robust systems and processes to identify and nurture talent, slow implementation of talent management initiatives, or insufficient opportunities for growth and professional development.

Additionally, ineffective approaches to fostering a culture of belonging, along with difficulties in attracting and retaining a skilled and diverse workforce, high turnover rates, poor succession planning and charity sector pay may contribute to the problem.

Mitigating Actions

Annual pay reviews and remuneration benchmarking

We remain committed to attracting, recruiting, and retaining the right calibre of highly skilled staff. We promote the distinct benefits of working for the Compassion ministry offering a compelling employee value proposition, including competitive total rewards, a positive work culture, and a sense of belonging. Our trustees conduct annual reviews of the pay policy and pay scales. Levels of remuneration are benchmarked regularly against labour market trends and other organisations in the charity sector.

Talent acquisition, management and retention

We are implementing initiatives and processes that identify and nurture talent within the organisation. This includes providing opportunities for career development plans, skills development and professional growth. We have also made improvements in our talent acquisition strategies to attract a skilled and diverse workforce.

Failure to ensure information technology systems are future-proof, scalable, secure, and simple.

Potential Causes

Reliance on outdated and inadequate systems and technologies

Mitigating Actions

Future-Proof Systems and Technologies

We are conducting a comprehensive IT systems review with the aim to invest in modern, scalable, secure, and user-friendly systems and technologies. We will regularly update and maintain our systems to ensure they meet current and future organisational needs.

Missed opportunities for new products and failure to diversify revenue streams.

Potential Causes

Barriers to implementing and sustaining future-focused innovation and initiatives, along with a failure to keep up with new technological trends and leverage new tools, hinder progress. Stakeholder reluctance and resistance to embrace new ideas and innovation initiatives further exacerbate the problem.

Mitigating Actions

Foster a Culture of Innovation

Through our Innovation Lab, we have encouraged and promoted a culture that embraces innovation by providing support and resources for future-focused initiatives. This has created an environment where new ideas are welcomed and tested.

Through market research, we strive to understand the needs and preferences of our target audience so that we ensure that all innovation initiatives support the core strategic objectives of the organisation. This alignment helps in prioritising efforts that meet both supporter and programme participants needs, and contribute to long-term growth and sustainability.

We actively engage with a wide range of stakeholders in the innovation process to reduce resistance and demonstrate the value of new initiatives.

Technological Trends

We will consistently invest in technological advancements and leverage new tools to drive innovation. We are committed to ensuring our teams stay updated and informed on the latest technological trends. This includes exploring the adoption and integration of Artificial Intelligence to enhance our efficiency and effectiveness, while carefully managing the potential risks related to misinformation, disinformation and disruption that AI may pose.



ALICE, KENYA

Structure, GOVERNANCE & MANAGEMENT



"I want to be a scientist to find cures for diseases and help save the lives of many children worldwide."

DAYANA, ECUADOR

OUR VOLUNTEER TRUSTEES

The trustees are the directors of Compassion UK for the purposes of company law and the trustees of Compassion UK for the purposes of charity law. All trustees are also members.



Bertram Shaun Sinniah

Appointed Chair of the Board of Trustees 01 November 2023
Shaun is the Managing Director of a leading independent specialist broking firm. He has a wealth of experience in multiple industries.



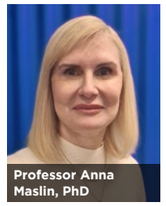
Jon Toohey

Chair of the Board of Trustees until 01 November 2023 (retired as a trustee 10 November 2023)
Jon is a qualified accountant, treasurer and member of the Institute of Directors with more than 30 years, experience in senior finance, systems and change management roles with global multinational companies in various industries.



Delfin Posada

Safeguarding Trustee Lead
A former pastor, Delfin is an internationally experienced solicitor and founding member of his law firm.



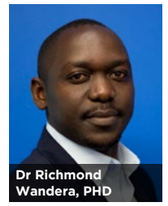
Professor Anna Maslin, PhD

Deputy Safeguarding Trustee Lead
Anna has been working globally focusing on health, human rights and international development for over 40 years, and has represented the UK at numerous international fora.



Tim Malton

(Appointed as a trustee 10 November 2023)
Tim has spent the last 20 years in investment banking specialising in emerging markets. Prior to this, he was involved in the insurance industry for 15 years. He is currently an advisor to a large financial services firm.



Dr Richmond Wandera, PHD

Richmond is the senior pastor of New Life Baptist Church in Kampala, Uganda, the President and Founder of Pastors Discipleship Network and a Compassion Graduate.



Matthew Walker

(Retired as a trustee 10 November 2023)
Matthew is a qualified accountant and Chartered Member of the Institute of Housing. Passionate about improving quality of life for those he serves, he is Chief Executive of Leeds Federated Housing Association and Chair of PlaceShapers.



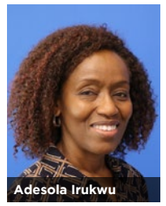
Hedy Hodson

Chair of the Finance and Audit Committee
Hedy is a chartered accountant who has had various roles working with the public sector, charities, churches and community projects with a particular focus on families and young people.



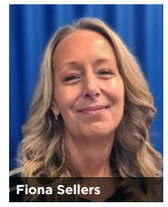
David Steinegger

(Appointed as a trustee 10 November 2023)
A chartered accountant with 40 years, experience in financial services, as well as significant experience on the board of several charities and in church leadership.



Adesola Irukwu

Appointed as a trustee 03 March 2023
Adesola is the co-founder of Bright Futures For African Children. She holds a Bachelor's degree in Dental Surgery from the University of Ibadan, Nigeria and a Masters in Conference and Events Management from the University of Westminster, London.



Fiona Sellers

Chair of the People and Culture Committee appointed as a trustee 03 March 2023
Fi has a wealth of experience from a career in HR in both the commercial and charity sectors.
Fi was the Director of People for HTB Group for 6 years before recently returning to running her own HR consulting and coaching business.

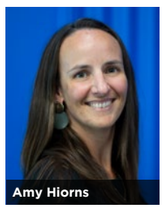
LEADERSHIP TEAM

Authority to conduct the day-to-day operations of the charity is delegated to the Chief Executive Officer, who is responsible for carrying out the strategies and policies set by the trustees. The trustees' responsibilities are set out on page 21.



Justin Dowds

Chief Executive Officer



Amy Hiorns

Chief Operating Officer and Company Secretary



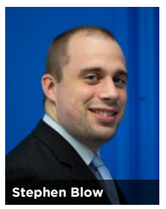
Rev Lyn Weston

Senior Director of Partnerships



Nick Harris

Senior Director of Marketing and Engagement



Stephen Blow

Finance Director

RICHMOND WANDERA, TRUSTEE

HOW CHILD SPONSORSHIP CHANGED MY LIFE

"As a child, poverty began to speak to me. I felt I was nothing, that I didn't matter - nobody cared to know my name."

A church nearby heard about his family's need and registered Richmond into their Compassion project. Richmond soon received news that he had been sponsored by Heather.

"I cannot find the words to describe the joy that filled our home when we got the news," Richmond explains with a smile.

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SAFEGUARDING

The protection of anyone who comes into contact with Compassion UK or our work is at the core of our ministry, and we are committed to doing all we can to keep children and adults safe, ensuring that they are known, loved and protected.

We have a zero-tolerance approach to safeguarding issues involving children, with robust systems in place, both in the UK and overseas, to prevent, identify and respond to harm. We continue to embed our safeguarding and child protection work within the three pillars: prevention, reporting and response.

PREVENTION

Everyone at Compassion UK is responsible for creating and maintaining an environment that neither tolerates nor condones the maltreatment of children or adults. Activities and efforts to promote safeguarding primarily focus on stringent preventative interventions that reduce risk factors. These include:

Governance and Leadership – our Board of Trustees and Executive Team take their safeguarding responsibilities very seriously, actively considering how to strengthen this area of our work. During the last year, the Safeguarding Committee met to review policies and other related documents and consider progress and activities towards the safeguarding strategy implementation. Safeguarding remains an agenda item at Board meetings; regular Executive Team meetings and updates are provided to every trustee. There have been revisions made to the Code of Conduct and Safeguarding Policy.

Safer recruitment – safeguarding is embedded in the recruitment processes for staff, trustees and volunteers, including background and DBS checking and high standards of behaviour being set. Compassion UK is an active participating member of the Misconduct Disclosure Scheme.

Training – All staff training has been delivered on updates to the Code of Conduct, on safeguarding within our programmatic countries and on reporting issues and concerns. The full Board received safeguarding training in March 2024 related to online sexual exploitation of children and all trustees signed the updated Code of Conduct. Further training has been developed for volunteers and contractors in high-risk roles. Training is planned to take place during the next financial year around employee safety and security and sexual harassment.

Communications and content – Compassion's Marketing and Communications Team has global standards aligning with our child protection policies. The child's interest is always our primary concern, and all communications and marketing activities have the dignity and protection of child or youth participants at the core.

Field experience – in-person travel continues to increase. Existing protocols like background checking and in country training and supervision remain in place. The revised Code of Conduct is being used by all travellers to the field. Trip Leaders have received specific child protection and safeguarding training during the past year. During the next financial year, a protection and safeguarding training video will be produced for travellers joining a trip or visit.

REPORTING

Everyone at Compassion UK is responsible for reporting any potential incident, abuse or concern they witness or are made aware of. This includes a responsibility to report any breach of Compassion's Code of Conduct. Compassion UK has an appropriate and accessible process for reporting safeguarding concerns that is available to all. Full training has been provided to all staff at Compassion UK on the reporting protocols and procedures. Significant improvements have been made to the internal Compassion UK reporting process to further remove barriers to reporting incidents.

Compassion UK has a 'Whistleblowing Policy and Procedure' intended to encourage and enable anyone to raise serious concerns without fear of victimisation, subsequent discrimination or disadvantage. Whistleblowing concerns can be submitted anonymously through our website. This includes the option to report directly to the Whistleblowing trustee.

RESPONSE

Compassion's greatest responsibility is to protect children from harm. If a child is harmed, the priority is to restore the child's safety and provide an opportunity for them to heal. Compassion follows all relevant national laws relating to reporting child maltreatment and criminal behaviour.

Compassion UK fully complies with our responsibility to report all serious incidents to the Charity Commission, Foreign, Commonwealth & Development Office (FCDO) and any other relevant authority. During the financial year, two incidents were reported to the Charity Commission which involved a participant who was sponsored through Compassion UK. Neither of these incidents involved a Compassion UK staff member or volunteer. Both incidents were fully investigated, with a survivor-centred approach.

MODERN SLAVERY

Compassion UK is committed to upholding high standards of accountability and transparency to ensure modern slavery and human trafficking are not taking place within our organisation or supply chains. To date, we have found no evidence of this.

We have rigorous systems and processes for appropriate and proportionate due diligence and managing risks associated with supply chains and international operations.

We also have key policies and procedures that include guiding principles for the protection from modern slavery and human trafficking. Our safeguarding refresher training framework contains a specific focus on modern slavery and human trafficking.

The Board of Trustees annually reviews progress against our objectives for the protection from modern slavery and human trafficking to ensure adequate oversight and have delegated the regular review and reporting to the Safeguarding Committee.

OUR ENVIRONMENT

People living in poverty are disproportionately harmed by climate issues. We want to do all we can to be part of the solution.

Through assessing our carbon footprint, we monitor, reduce and offset our emissions to maintain our carbon-neutral status.

WE CONTINUE TO:

- Harness energy-efficient systems, such as solar panels and other technologies, in our offices.
- Offer paper-free experiences for supporters. We have identified this could save half a million printed documents each year.
- All company cars are fully electric.
- Offer virtual trips to visit Compassion programmes as an alternative to in-person visits.

EMISSIONS DURING THE LAST YEAR:

- Our assessment this year showed that emissions increased by 169 tonnes of CO_2 to 347 tonnes of CO_2. This is linked to a return to normal activity levels following the pandemic. Emissions are 34% of the baseline (1,017 tonnes of CO_2) established when emissions began being measured. The four top emitting areas were as follows:
  - Air Travel: 41% of total emissions
  - Travel by Car: 21% of total emissions
  - Electricity: 13% of total emissions
  - Home Working: 12% of total emissions

ACTIONS TAKEN DURING THE YEAR:

- We transferred the office from a 93% renewable tariff to a 100% renewable tariff.
- Offset our carbon emissions through an approved accreditor.
- Limited the amount of air travel.

THIS YEAR WE INTEND TO:

- Continue to limit air travel.
- Make a low-cost salary sacrifice scheme available all to staff to provide affordable electric cars (including second hand) where wanted.
- Continue to offset carbon emissions.
- Expand the use of solar capture technology at our offices and implement further energy saving measures in our offices.
- Continue to make strides towards a digital first approach for supporters.



WINNER, AGED 20 FROM TOGO, HAS BEEN ENCOURAGED THROUGH COMPASSION'S PROGRAMME TO PURSUE HER PASSION FOR ENGINEERING. HERE, SHE STANDS WITH HER LATEST CREATION; A SOLAR-POWERED WHEELCHAIR.

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FUNDRAISING STATEMENT

Registered with FUNDRAISING REGULATOR

We believe that extreme poverty can be eradicated in our lifetime. This ambitious aim cannot be achieved without igniting members of the public to action. We are blessed and thankful for the long-term commitment and generosity of our supporters as we work together to empower children and their families to break free from extreme poverty.

Compassion UK has maintained its membership with the Fundraising Regulator and complied with the Code of Fundraising Practice and the Fundraising Promise. Additionally, members of relevant departments are also registered with the Institute of Fundraising.

Compassion UK's fundraising activities are conducted mainly by its employees and volunteers. This primarily involves working in partnership with a wide range of stakeholders, including UK churches and Christian events and festivals. During fundraising events, a 'Compassion Moment' is featured, which showcases our work and inspires people across the country to help a child step out of poverty through sponsorship.

Additionally, Compassion has public facing touchpoints, such as our website, and the Compassion App, which promotes opportunities to sponsor a child, donate to our work and support our emergency appeals and other fundraising campaigns.

Compassion has a number of supporters who undertake fundraising activities either on our behalf or through their own initiative. We have also taken reasonable steps to monitor and review fundraising activities undertaken by third-party organisations acting on our behalf, including applying robust due diligence procedures; reviewing agreements and contractual clauses in relation to compliance with the Code of Fundraising Practice; and performance reviews.

Compassion UK does not engage professional fundraisers but has agreements with Commercial Participators that are longstanding corporate partners of the ministry.

Compassion UK's Supporter Charter is available on our website and outlines our procedures for handling complaints. In the 2023-2024 financial year, we received 13 fundraising complaints. All complaints were treated seriously, and prompt actions were taken to resolve these satisfactorily. The trustees and senior leadership continue to review complaints as a standing agenda item at their meetings. This includes reviewing lessons learnt, which are used to inform future training needs or procedure reviews.

When conducting our direct marketing activities, we remain committed to:

- offering choice and control to personalise permissions and preferences to hear about our work;
- ensuring we have robust data protection and privacy policies;
- treating those who come into contact with our work respectfully and fairly.

We monitor opt-in numbers and communication channels that our supporters prefer. We are also signed up to the Fundraising Preference Service (FPS) and ensure any opt-out requests are actioned promptly. We received one FPS suppression request in the last year but it related to an individual whose details had never been held in our database. However, we have retained the details of the request for future reference.

Compassion UK's Policy on Supporters in Vulnerable Circumstances is publicly available on our website. We ensure everyone involved in fundraising activities is equipped to identify, interact and respond to our supporters who are in potentially vulnerable circumstances. We will always be mindful to respond appropriately to the particular needs of a supporter and ensure we have effective policies and procedures in place to treat them respectfully and fairly.

GOVERNING DOCUMENT

Compassion UK Christian Child Development is a company limited by guarantee and governed by its Articles of Association dated 24 February 1999 which was last amended by special resolution on 23 June 2023. It is registered as a charity with the Charity Commission in England and Wales and the Office of the Scottish Charity Regulator. Members must accept and believe in the Compassion UK Statement of Faith. Each member agrees to contribute £10 in the event of the charity being wound up.

APPOINTMENT OF VOLUNTEER TRUSTEES

Every trustee volunteers their services to the charity and must be a member. The chair of the Board of trustees is elected by the trustees from one of their number.

New trustees are appointed by the existing trustees according to the charity's governing document, ensuring that the Board has the appropriate balance of skills, experience, independence and knowledge to enable them to carry out their respective duties and responsibilities.

TRUSTEE INDUCTION AND TRAINING

Trustees are given training and documentation to brief them on their legal obligations under charity and company law, the content of the Articles of Association, the decision-making process, the business plan and the recent financial performance of the charity. Every three to four years, all trustees visit one of the countries where Compassion works to see the programmes first-hand.

ORGANISATION

The Board of trustees must have at least three members and is responsible for setting strategies and policies and ensuring that these are implemented.

All trustees give their time freely, and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in notes 11 and 18 to the accounts.

Trustees are required to disclose all relevant interests and, in accordance with the trustees' policy, withdraw from decisions where a conflict of interest arises.

The trustees conduct an annual Board review to evaluate performance against the principles set out in the Charity Governance Code. The evaluation report is used to identify and explain areas of strength and areas for development. We have established procedures that ensure actions to implement the Code's principles are reviewed routinely at each Board meeting to ensure ongoing accountability.

There are now three sub-committees namely; Finance and Audit Committee, Safeguarding Committee and the People and Culture Committee which exist to provide support and advice to the Board in its governance role in respect of finance and audit issues, safeguarding, people and culture. The committees are appointed by the Board with no less than four members, with a minimum of two members of the committee being members of the Board.

The committees meet at least three times a year.

The Board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. The Board maintains sound risk management and internal control systems.

Trustee Indemnity Insurance is provided by Compassion UK for trustees.

CONNECTED CHARITIES

COMPASSION INTERNATIONAL

We are a member of the Compassion Global Partner Alliance, consisting of organisations throughout the world with a mutual commitment of purpose, structure and methodology. In order to be as effective as possible, the delivery of help to children in beneficiary countries is coordinated and implemented centrally through Compassion International. Fundraising partner countries transfer funds raised to Compassion International which are then used to support programmes in the 29 frontline field countries. Grants paid to Compassion International cover the grants to the frontline church partners and running the field country and regional offices, as well as programme costs at Compassion International as this is the most efficient way to distribute funds.

COMPASSION IRELAND

We have an agreement to provide support services to Compassion Ireland for a fixed fee of 12% of all donations received. This excludes gifts and appeals, of which 100% is sent to Compassion International.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The trustees (who are also the directors of Compassion UK Christian Child Development for the purposes of company law), are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the income and expenditure of the charity for that period.

In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities Statement Of Recommended Practice (SORP);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO THE AUDITORS

Each of the persons who is a trustee at the date of approval of this report confirms:

- That in so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- Each trustee has taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

AUDITOR

Menzies LLP are deemed to be re-appointed under section 487 [2] of the Companies Act 2006.

STRATEGIC REPORT

The company has chosen, in accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, to set out within the Strategic Report the Company's Strategic Report Information required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review and details of the principal risks and uncertainties.

The Trustees' Report (incorporating the Strategic Report) was approved by the Board of Trustees (which is also the Board of Directors) on 18th October 2024 and signed on its behalf by Shaun Sinniah (Chair).

On behalf of the Board

Shaun Sinniah

Shaun Sinniah (Chair)
18th October 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMPASSION UK CHRISTIAN CHILD DEVELOPMENT

OPINION

We have audited the financial statements of Compassion UK Christian Child Development (the 'charitable company') for the year ended 30 June 2024, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2024, and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

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MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the trustees' responsibilities statement set out on page 22, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, is detailed below:

- The charitable company is subject to laws and regulations that directly affect the financial statements, including financial reporting legislation. We determined that the following laws and regulations were most significant, including the Companies Act 2006, Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Safeguarding Vulnerable Groups Act 2006, GDPR and the UK Code of Fundraising Practice. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.
- We understood how the charitable company is complying with those legal and regulatory frameworks by making inquiries to management, those responsible for legal and compliance procedures and the company secretary. We corroborated our inquiries through our review of board minutes.
- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. The assessment did not identify any issues in this area.
- We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur. As a result of the above procedures, we considered that the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the posting of fraudulent journal entries, fictitious employees and timing of revenue recognition.
- Audit procedures performed by the engagement team included:
  - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
  - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
  - Challenging assumptions and judgments made by management in its significant accounting estimates;
  - Identifying and testing journal entries, in particular, any journal entries posted with unusual account combinations;
  - Carrying out checks to establish the validity of employees, and
  - Reviewing and verifying the basis on which income is recognised in the accounts

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx.

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Menzies LLP

Janice Matthews FCA, Senior Statutory Auditor

For and on behalf of Menzies LLP, Statutory Auditor

Chartered Accountants
Statutory Auditor
Magna House,
18-32
London Road,
Staines-upon-Thames,
TW18 4BP

Dated:
18th October 2024

Menzies LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

ALEYA, THAILAND

Financial STATEMENTS

ALEYA IS ENCOURAGED AT THE COMPASSION CENTER TO HAVE DREAMS—AND SHE AND HER FRIENDS ARE LEARNING HOW TO PURSUE THE DREAMS THAT MAY SEEM FAR FROM REACH.

STATEMENT OF FINANCIAL ACTIVITY

(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

		FOR THE YEAR ENDED 30 JUNE 2024				FOR THE YEAR ENDED 30 JUNE 2023			
	NOTE	RESTRICTED FUNDS £'000	DESIGNATED FUNDS MOST NEEDED £'000	GENERAL FUNDS £'000	TOTAL FUNDS 2024 £'000	RESTRICTED FUNDS £'000	DESIGNATED FUNDS MOST NEEDED £'000	GENERAL FUNDS £'000	TOTAL FUNDS 2023 £'000
INCOME FROM									
Donations & Legacies	5a	34,894	7,672	9,574	**52,140**	34,283	7,072	9,276	**50,631**
Grants	5b	-	-	-	**-**	169	-	-	**169**
TOTAL VOLUNTARY INCOME		**34,894**	**7,672**	**9,574**	**52,140**	34,452	7,072	9,276	**50,800**
Charitable activities	6	-	-	52	**52**	-	-	70	**70**
Interest		-	-	423	**423**	-	-	259	**259**
Profit/(Loss) on disposal of assets		-	-	(9)	**(9)**	-	-	7	**7**
TOTAL INCOME		**34,894**	**7,672**	**10,040**	**52,606**	34,452	7,072	9,612	**51,136**
EXPENDITURE ON									
Raising Funds	7	-	-	6,616	**6,616**	-	-	5,902	**5,902**
Charitable activities	8	34,419	7,672	4,041	**46,132**	33,563	7,104	3,531	**44,198**
TOTAL EXPENDITURE		**34,419**	**7,672**	**10,657**	**52,748**	33,563	7,104	9,433	**50,100**
NET MOVEMENT IN FUNDS		**475**	**-**	**(617)**	**(142)**	**889**	**(32)**	**179**	**1,036**
RECONCILIATION OF FUNDS									
Total Funds Brought Forward		1,538	-	7,835	**9,373**	649	32	7,656	**8,337**
TOTAL FUNDS CARRIED FORWARD		**2,013**	**-**	**7,218**	**9,231**	**1,538**	**-**	**7,835**	**9,373**

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenses derive from continuing activities.

TREATMENT OF RESTRICTED, DESIGNATED AND GENERAL FUNDS

Where appropriate in the financial statements, income, expenditure and reserves are classified as restricted, designated or general funds. The income and expenditure are shown after restrictions have been applied.

For example, a donation that is 80% restricted will be classified as 80% restricted income and 20% general income. If Gift Aid were claimed on this donation, 80% would be classified as designated income, and the remaining 20% would be general income.

The definitions of restricted, designated and general funds can be found in the accounting policies note 1J, 1K and 1L.

BALANCE SHEET

	NOTE	AS AT 30 JUNE 2024 £'000	AS AT 30 JUNE 2023 £'000
FIXED ASSETS			
Tangible assets	12	**3,845**	3,907
Intangible assets	12	**-**	-
TOTAL FIXED ASSETS		**3,845**	**3,907**
CURRENT ASSETS			
Debtors	13	**2,466**	2,610
Cash at bank and in hand		**5,803**	4,393
Current Asset Investment	14	**3,000**	3,090
TOTAL CURRENT ASSETS		**11,269**	**10,093**
LIABILITIES			
Creditors: Amounts falling due within one year	15	**(5,883)**	(4,627)
TOTAL LIABILITIES		**(5,883)**	**(4,627)**
NET CURRENT ASSETS		**5,386**	**5,466**
TOTAL NET ASSETS		**9,231**	**9,373**
THE FUNDS OF THE CHARITY			
UNRESTRICTED FUNDS			
General Funds		**7,218**	7,835
Designated Funds: Most Needed Fund		**-**	-
TOTAL UNRESTRICTED FUNDS		**7,218**	**7,835**
Restricted income funds	17	**2,013**	1,538
TOTAL FUNDS CARRIED FORWARD		**9,231**	**9,373**

Approved by the Board on 18th October 2024 and signed on its behalf by Shaun Sinniah

Shaun Sinniah

Company Registration Number 03719092

CASHFLOW STATEMENT

	AS AT 30 JUNE 2024	AS AT 30 JUNE 2023
	£'000	£'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the reporting period (as reported in the Statement of Financial Activities)	(142)	1,036
ADJUSTMENTS FOR:		
Depreciation & Amortisation charges	197	155
(Profit)/Loss on the sale of fixed assets	9	(7)
Dividends, interest and rents from investments	(423)	(259)
Decrease/(Increase) in debtors	144	(1,938)
(Decrease)/Increase in creditors	1,256	(498)
Creditors for fixed asset acquisitions unpaid at year end	35	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,076	(1,511)
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends, interest and rents from investments	423	259
Amount invested in short term investments	90	995
Purchase of fixed assets	(205)	(180)
Creditors for fixed asset acquisitions unpaid at year end	(35)	-
Proceeds from the sale of fixed assets	61	37
Net cash provided by/(Used in) investment activities	334	1,111
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD	1,410	(400)

	AS AT 30 JUNE 2024	AS AT 30 JUNE 2023
	£'000	£'000
Cash in hand at beginning of period	546	3,793
Notice deposits (less than three months) at beginning of period	3,847	1,000
TOTAL CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	4,393	4,793
CASH IN HAND AT END OF PERIOD	1,347	546
Notice deposits (less than three months) at end of period	4,456	3,847
TOTAL CASH AND CASH EQUIVALENTS AT END OF PERIOD	5,803	4,393
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD	1,410	(400)

ALLIANCE, RWANDA

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NOTES

1 ACCOUNTING POLICIES

Compassion UK Christian Child Development is a private charitable company limited by guarantee incorporated in England and Wales. The address of its registered office is set out on the final page, and a description of its principal activities is set out on page 5.

A) BASIS OF PREPARATION

The financial statements have been prepared under the historic cost convention. These accounts have been prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), Accounting and Reporting by Charities: Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2019.

The charity meets the definition of a public benefit entity under FRS 102. The reporting currency is GB Pounds Sterling, and the accounts are rounded to the nearest thousand (£'000). The principal accounting policies adopted in the preparation of the financial statements are set out below.

The charity has adequate reserves and substantial recurring income. The trustees therefore consider that the charity will be able to meet its commitments for at least 12 months from the date of approval of these financial statements and for the foreseeable future. The accounts are accordingly prepared on a going concern basis.

B) INCOME

This is included in the Statement of Financial Activities (SoFA) when:

- The charity becomes entitled to the resources;
- The trustees believe it is probable they will receive the income; and
- The monetary value can be measured with sufficient reliability.

100% of child gifts and appeal donations are restricted. 80% of all other donations received are restricted. Restricted donations are granted to Compassion International.

Income that relates to a future period is carried forward as deferred income. An example of this would be where a sponsor pays child support a year in advance.

Income from Gift Aid reclaims is recognised in the SoFA when the donation is made. Where backdated Gift Aid claims have been made that relate to donations in a prior period, this has been recognised in the current period.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made or when a distribution is received from the estate.

Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income from government grants is recognised on the performance basis when there is evidence of entitlement to the grant, receipt is probable and its amount can be measured reliably.

Grants that are subject to conditions such as matched funding are only recognised once those conditions have been fulfilled.

Gifts in kind are accounted for at a reasonable estimate of their value to the charity or the amount actually realised.

Donated services and facilities are only included in income (with an equivalent amount in expenditure) where the benefit to the charity is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value to the charity of the service or facility received.

The value of any voluntary help received is not included in the accounts but is described in the Trustees' Annual Report.

Investment income is included in the accounts when receivable.

C) CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The main area of judgement is in relation to the allocation of central overhead costs between the various expenditure categories on the Statement of Financial Activities, the basis of which is set out in note 1(F).

Compassion makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. In the opinion of the trustees, the main estimate and assumption that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are in relation to the useful life of fixed assets, which are written off in accordance with the depreciation policies set out in note 1(E).

D) FIXED ASSETS

Fixed assets are capitalised if they can be used for more than one year and cost at least £5,000. They are valued at cost on receipt.

E) DEPRECIATION AND AMORTISATION

Depreciation and amortisation are calculated to write off the cost of the assets brought into use less their residual value over their expected useful lives using the following rates:

- Computer equipment: 25% straight line
- Motor vehicles: 25% straight line to estimated residual value
- Software: 25% straight line
- Furniture, fixtures and plants: 10% straight line
- Building structure: 2% straight line

Our assessment of our office valued the land at £1.3m. The rest of the structure, including the car park, is constructed from durable materials and has been estimated to have a useful life of 50 years.

F) EXPENDITURE

All expenditure is accounted for gross and when incurred. Expenditure is included in the SoFA on an accruals basis and, because the charity is unable to recover any UK Value Added Tax paid, inclusive of that irrecoverable VAT. Expenditure includes the direct costs of the activities and depreciation on related assets.

Where such costs relate to more than one functional cost category, they have been split on an estimated time, floor space or other basis, as appropriate. A functional breakdown of expenditure is shown in notes 7 to 9.

Expenditure on raising funds are the direct costs and an appropriate allocation of support costs that were used to attract donations.

Expenditure on charitable activities include: monies remitted to Compassion International and other organisations in respect of child sponsorship income; costs of supporting and providing information and education to child sponsors, including a share of the costs of the charity's magazine; and other costs incurred directly in meeting the aims of the charity. Child grants include all monies paid to Compassion International and other organisations for the direct benefit of children.

Child ministry and advocacy costs include all costs incurred in the ministry of children and raising awareness on their behalf.

This expenditure includes an appropriate allocation of support costs of central functions that have been allocated to activity cost categories on a basis consistent with the use of resources, for example, by estimated staff time or floor space.

G) FOREIGN CURRENCIES

Assets, liabilities, revenues and expenditure in foreign currencies are translated into Sterling at the rates of exchange ruling on the date on which transactions occur, except for monetary assets and liabilities, which are translated at the rate ruling at the balance sheet date where material. Transactions to be settled at a contracted rate and trading transactions covered by a related or matching forward contract are translated at those contracted rates. Differences arising on the translation of such items are dealt with in the SoFA.

H) GRANTS

Grants payable are recognised as expenditure when the commitment is entered into. Where such a grant is to be paid over instalments, the outstanding balance is disclosed as a liability.

I) OPERATING LEASES

Rentals payable under operating leases are charged to the SoFA on a straight-line basis over the period of the lease.

J) GENERAL FUNDS

General funds are funds available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

K) DESIGNATED FUNDS

Designated funds are unrestricted funds that have been set aside at the discretion of the trustees for a specific, but not legally binding, purpose.

L) RESTRICTED FUNDS

Restricted funds are income received for a particular purpose as specified by the donor or supplier, less expenditure applied for such a purpose.

M) PENSION COSTS

Compassion UK operates a money purchase pension scheme whereby it pays eligible staff defined contributions into the charity pension scheme. The contributions are charged to the Statement of Financial Activities as they become payable, and the charity's liability is limited to the amount of the contributions.

N) LIABILITIES

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

O) FINANCIAL INSTRUMENTS

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

P) CURRENT ASSET INVESTMENTS

Current asset investments are investments that the charity holds with a maturity date of less than one year. Investment properties are measured at fair value.

2 LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.

3 COMPASSION CHARITIES

COMPASSION INTERNATIONAL

The charity has a commitment to donors that 80% of monies received from child sponsorship and other child grants are transferred to Compassion International in the USA, who administer the distribution of funds for the benefit of each child on behalf of the charity (and other Compassion partners).

The amount of these funds granted during the year was £38,886,000 [FY23 £37,464,000] of which £2,757,000 [FY23 £2,674,000] was owed at the year-end and a further £1,169,000 [FY23 £433,000] was accrued. The outstanding amount represents the June 2024 grant and was transferred to Compassion International after the year-end.

The UK charity is actively involved in the overall administration of the support given to children and in the decisions made by the international partnership of Compassion charities.

Compassion International paid expenses of £23,000 [FY23 £8,000] to Compassion UK. Compassion UK incurred expenses of £55,000 [FY23 £13,000] to Compassion International of which £25,000 [FY23 £0] was accrued at year end.

COMPASSION IRELAND

During the year Compassion Ireland's administration requirements have been undertaken for a fixed fee of 12% of donations received, excluding gifts and appeals, after deducting some direct costs.

During the year £45,000 [FY23 £32,000] was received in income from servicing Compassion Ireland and costs were £83,000 [FY23 £72,000]. The balance owing by Compassion Ireland is £48,000 [FY23 £19,000].

4 NET MOVEMENT IN RESOURCES FOR THE YEAR

	FOR THE YEAR ENDED 30 JUNE 2024	FOR THE YEAR ENDED 30 JUNE 2023
	£'000	£'000
Depreciation and amortisation of fixed assets	**197**	155
(Profit)/Loss on disposal of fixed assets	**9**	(7)
Annual audit fees	**31**	31
Other fees paid to Auditor for advice/consultancy etc	**2**	2
Foreign exchange (gains)/losses	**(9)**	17

5a DONATIONS AND LEGACIES

	FOR THE YEAR ENDED 30 JUNE 2024				FOR THE YEAR ENDED 30 JUNE 2023			
	RESTRICTED FUNDS	DESIGNATED FUNDS MOST NEEDED	GENERAL FUNDS	TOTAL FUNDS 2024	RESTRICTED FUNDS	DESIGNATED FUNDS MOST NEEDED	GENERAL FUNDS	TOTAL FUNDS 2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
MINIMUM 80% RESTRICTED								
Child Sponsorship	28,745	-	7,185	**35,930**	27,173	-	6,795	**33,968**
Unsponsored Children	96	-	24	**120**	97	-	24	**121**
Project Sponsorship	85	-	2	**87**	6	-	-	**6**
Interventions	1,268	-	234	**1,502**	1,849	-	461	**2,310**
Sponsorship Plus	534	-	129	**663**	542	-	130	**672**
Child Survival Programme	253	-	63	**316**	314	-	81	**395**
HIV/Aids Fund	54	-	13	**67**	59	-	15	**74**
Other Restricted Donations	-	-	-	**-**	-	-	-	**-**
100% RESTRICTED								
Gifts for children and families	2,394	-	-	**2,394**	2,419	-	-	**2,419**
Gifts for projects	187	-	-	**187**	223	-	-	**223**
Christmas Appeal	896	-	-	**896**	873	-	-	**873**
Disaster Relief	382	-	-	**382**	728	-	-	**728**
MINIMUM 80% DESIGNATED								
Gift Aid	-	6,791	1,698	**8,489**	-	6,414	1,603	**8,017**
General unrestricted income	-	881	221	**1,102**	-	658	165	**823**
OTHER DONATIONS								
Other Donations	-	-	5	**5**	-	-	2	**2**
TOTAL	**34,894**	**7,672**	**9,574**	**52,140**	**34,283**	**7,072**	**9,276**	**50,631**

Included in the above is legacy income of £1,199,000 [FY23 £1,249,000]

5b GRANTS RECEIVED

	FOR THE YEAR ENDED 30 JUNE 2024				FOR THE YEAR ENDED 30 JUNE 2023			
	RESTRICTED FUNDS	DESIGNATED FUNDS MOST NEEDED	GENERAL FUNDS	TOTAL FUNDS 2024	RESTRICTED FUNDS	DESIGNATED FUNDS MOST NEEDED	GENERAL FUNDS	TOTAL FUNDS 2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
FCDO Grant	-	-	-	**-**	169	-	-	**169**
TOTAL	**-**	**-**	**-**	**-**	**169**	**-**	**-**	**169**

6 CHARITABLE ACTIVITIES

	FOR THE YEAR ENDED 30 JUNE 2024	FOR THE YEAR ENDED 30 JUNE 2023
	£'000	£'000
Compassion Ireland Service Income	45	32
Field Experience Income/(Refunds)	11	1
Other	(4)	37
TOTAL	52	70

7 EXPENDITURE ON RAISING FUNDS

	NOTE	FOR THE YEAR ENDED 30 JUNE 2024	FOR THE YEAR ENDED 30 JUNE 2023
		£'000	£'000
Direct Costs Excluding Staff		2,763	2,416
Direct Staff Costs		2,259	2,108
Apportioned Support costs	9	1,594	1,378
TOTAL		6,616	5,902

8 EXPENDITURE ON CHARITABLE ACTIVITIES

	NOTE	FOR THE YEAR ENDED 30 JUNE 2024				FOR THE YEAR ENDED 30 JUNE 2023			
		RESTRICTED FUNDS	DESIGNATED FUNDS MOST NEEDED	GENERAL FUNDS	TOTAL	RESTRICTED FUNDS	DESIGNATED FUNDS MOST NEEDED	GENERAL FUNDS	TOTAL
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Grant making	8a	34,419	4,470	780	39,669	33,563	3,966	691	38,220
Child Ministry Costs	8b	-	3,202	3,116	6,318	-	3,138	2,710	5,848
Compassion Ireland		-	-	82	82	-	-	72	72
Field Experience	8c	-	-	63	63	-	-	58	58
TOTAL CHARITABLE EXPENDITURE		34,419	7,672	4,041	46,132	33,563	7,104	3,531	44,198

8a GRANT MAKING

	NOTE	FOR THE YEAR ENDED 30 JUNE 2024				FOR THE YEAR ENDED 30 JUNE 2023			
		RESTRICTED FUNDS	DESIGNATED FUNDS MOST NEEDED	GENERAL FUNDS	TOTAL	RESTRICTED FUNDS	DESIGNATED FUNDS MOST NEEDED	GENERAL FUNDS	TOTAL
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Child Sponsorship		28,745	-	-	28,745	27,173	-	-	27,173
Unsponsored Children		96	-	-	96	97	-	-	97
Project Sponsorship		85	1,580	-	1,665	6	1,567	-	1,573
Gifts for children and families		2,394	-	-	2,394	2,419	21	-	2,440
Gifts for Projects		191	-	-	191	225	73	-	298
Christmas Appeal		895	-	-	895	869	-	-	869
Interventions		790	375	-	1,165	434	439	-	873
Disaster Relief		676	1,946	-	2,622	1,091	1,841	-	2,932
Child Survival Interventions		493	563	-	1,056	1,021	-	-	1,021
FCDO Child Survival Grant - Togo		-	3	-	3	110	19	-	129
HIV/Aids Funds		54	-	-	54	59	-	-	59
TOTAL CHILD GRANTS TO COMPASSION INTERNATIONAL	(i)	34,419	4,467	-	38,886	33,504	3,960	-	37,464
Compassion Norden and Germany Grants		-	-	2	2	-	-	14	14
Other Grants	(ii)	-	3	-	3	-	6	-	6
TOTAL GRANTS		34,419	4,470	2	38,891	33,504	3,966	14	37,484
Grant making support costs	9	-	-	778	778	-	-	677	677
FCDO Child Survival Grant - Togo	9	-	-	-	-	59	-	-	59
TOTAL COSTS OF GRANT MAKING		34,419	4,470	780	39,669	33,563	3,966	691	38,220

(i) Direct costs for child support and other child grants are grants for the benefit of children. Grants paid to Compassion International cover the grants to the projects and costs to run the field country and regional offices, as well as programme costs at Compassion International.

(ii) Other grants include grants to organisations that support Compassion's mission.

8b CHILD MINISTRY COSTS

		FOR THE YEAR ENDED 30 JUNE 2024				FOR THE YEAR ENDED 30 JUNE 2023			
		RESTRICTED FUNDS	DESIGNATED FUNDS MOST NEEDED	GENERAL FUNDS	TOTAL	RESTRICTED FUNDS	DESIGNATED FUNDS MOST NEEDED	GENERAL FUNDS	TOTAL
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Child Ministry Costs	(iii)	-	3,202	-	3,202	-	3,138	-	3,138
Child Ministry Support Costs	9	-	-	3,116	3,116	-	-	2,710	2,710
TOTAL CHILD MINISTRY COSTS		-	3,202	3,116	6,318	-	3,138	2,710	5,848

(iii) Direct costs for child ministry are costs of supporting and providing information to child sponsors. This includes child letter postage and the proportion of facilities, IT and staff time allocated to supporting the relationship between the sponsor and the child.

8c FIELD EXPERIENCE COSTS

		FOR THE YEAR ENDED 30 JUNE 2024				FOR THE YEAR ENDED 30 JUNE 2023			
		RESTRICTED FUNDS	DESIGNATED FUNDS MOST NEEDED	GENERAL FUNDS	TOTAL	RESTRICTED FUNDS	DESIGNATED FUNDS MOST NEEDED	GENERAL FUNDS	TOTAL
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Field Experience Direct Costs		-	-	-	-	-	-	-	-
Field Experience Support Costs	9	-	-	63	63	-	-	58	58
TOTAL FIELD EXPERIENCE COSTS		-	-	63	63	-	-	58	58

Sponsors normally have the opportunity to visit projects and their sponsored children on Compassion Insight Trips. No Insight Trips have taken place since COVID-19 became a worldwide pandemic.

9 ANALYSIS OF SUPPORT COSTS

FOR THE YEAR ENDED 30 JUNE 2024

	RAISING FUNDS	GRANT MAKING	CHILD MINISTRY	FIELD EXPERIENCE	ADMINISTERING FCDO GRANT	TOTAL SUPPORT COSTS
	£'000	£'000	£'000	£'000	£'000	£'000
Facilities management	107	29	114	14	-	264
Information technology	356	196	785	13	-	1,350
Operations including finance and HR	224	81	329	5	-	639
Support salaries	893	445	1,778	30	-	3,146
Audit and accounting fees	-	6	25	-	-	31
Trustee, Board and compliance costs	14	21	85	1	-	121
	1,594	778	3,116	63	-	5,551

FOR THE YEAR ENDED 30 JUNE 2023

	RAISING FUNDS	GRANT MAKING	CHILD MINISTRY	FIELD EXPERIENCE	ADMINISTERING FCDO GRANT	TOTAL SUPPORT COSTS
	£'000	£'000	£'000	£'000	£'000	£'000
Facilities management	98	25	101	12	4	240
Information technology	324	164	662	12	14	1,176
Operations including finance and HR	185	80	321	7	7	600
Support salaries	758	390	1,556	25	33	2,762
Audit and accounting fees	-	7	24	-	-	31
Trustee, Board and compliance costs	13	11	46	2	1	73
	1,378	677	2,710	58	59	4,882

All support costs are paid from unrestricted funds. Total support costs are allocated on the basis of staff time attributable to that cost centre.

10 STAFF COSTS

	FOR THE YEAR ENDED 30 JUNE 2024	FOR THE YEAR ENDED 30 JUNE 2023
	£'000	£'000
Wages and salaries	5,738	5,151
Pensions	684	619
Social security costs	592	550
Health insurance and other HR costs	102	101
	7,116	6,421

	FOR THE YEAR ENDED 30 JUNE 2024	FOR THE YEAR ENDED 30 JUNE 2023
	FTE	FTE
Management	5	5
Support and administration	36	30
Supporter relations	46	41
Fundraising and communications	63	63
Grant management	-	1
	150	140
Percentage increase in staffing levels	7%	1%

	FOR THE YEAR ENDED 30 JUNE 2024	FOR THE YEAR ENDED 30 JUNE 2023
AVERAGE NUMBER OF EMPLOYEES (HEADCOUNT)	172	164
THE NUMBER OF EMPLOYEES WHOSE REMUNERATION FOR THE PERIOD FELL WITHIN THE FOLLOWING BANDS: FIGURES REPRESENT SALARY BEFORE ANY SALARY SACRIFICE DEDUCTIONS		
£60k up to £70K	6	2
£70k up to £80K	4	4
£80k up to £90K	1	2
£90K up to £100K	-	-
£100K up to £110K	-	1
£110K up to £120K	1	-

- Pension contributions of £111,000 [FY23: £66,000] were made during the year for the above higher paid staff. This excludes employee contributions made via salary sacrifice.
- The company operates a defined contribution pension scheme on behalf of its employees. The pension charge for the year was £684,000 [FY23: £521,000], of which £56,000 [FY23: £52,000] was payable at the year end.
- The five key management positions are listed on page 19. The total employee remuneration, including National Insurance and benefits, of key management personnel of the charity was £525,000 [FY23: £498,000].
- During the year £7,000 [FY23: £15,000] of redundancy costs were incurred.

11 TRUSTEES' REMUNERATION

No trustees' remuneration was voted during the year.

Trustee expenses of £1,600 [FY23 £300] were paid in the year.

During the year the trustees travelled to Rwanda and Uganda to see first-hand the work of Compassion and to help fulfil their obligations as trustees. This trip cost £12,000 [FY23 £0].

Richmond Wandera visited the UK from Uganda during the year for board meetings and to promote Compassion UK. The cost of this trip was £8,000 [FY23 £0]. In addition, Richmond Wandera was paid £5,000 [FY23 £0] for virtual speaking engagements and other marketing activities.

The total premiums paid for trustee indemnity insurance in the year was £1,000 [FY23 £1,000].

12 FIXED ASSETS

	TANGIBLE ASSETS					INTANGIBLE ASSETS
	FURNITURE, FIXTURES AND PLANT	COMPUTER HARDWARE	MOTOR VEHICLES	FREEHOLD LAND AND BUILDINGS	TOTAL	COMPUTER SOFTWARE
	£'000	£'000	£'000	£'000	£'000	£'000
COST						
Balance at 1st July 2023	398	377	273	3,656	4,704	1,243
Additions for the year	137	30	39	-	206	-
Disposals for the year	(10)	(130)	(126)	-	(266)	(4)
BALANCE AT 30TH JUNE 2024	**525**	**277**	**186**	**3,656**	**4,644**	**1,239**
DEPRECIATION/AMORTISATION						
Balance at 1st July 2023	219	251	63	264	797	1,243
Disposals for the year	(10)	(130)	(55)	-	(195)	(4)
Depreciation for the year	72	13	60	52	197	-
BALANCE AT 30TH JUNE 2024	**281**	**134**	**68**	**316**	**799**	**1,239**
NET BOOK VALUE						
At 1st July 2023	179	126	210	3,392	3,907	-
At 30th June 2024	244	143	118	3,340	3,845	-

13 DEBTORS

	AS AT 30 JUNE 2024	AS AT 30 JUNE 2023
	£'000	£'000
Compassion Ireland	48	19
Gift Aid reclaimable	190	915
Accrued legacy income	1,734	1,159
Other debtors and grants receivable	84	88
Prepayments	410	429
	2,466	**2,610**

14 CURRENT ASSET INVESTMENTS

	AS AT 30 JUNE 2024	AS AT 30 JUNE 2023
	£'000	£'000
Investment Property	-	90
Cash held on deposit	3,000	3,000
	3,000	**3,090**

15 CREDITORS

		AS AT 30 JUNE 2024	AS AT 30 JUNE 2023
	NOTE	£'000	£'000
Compassion International		2,757	2,674
Deferred income	16	606	344
Trade creditors		513	634
Accruals		1,815	793
Other taxation and social security		136	129
Pension contributions outstanding		56	53
		5,883	**4,627**

16 DEFERRED INCOME

	AS AT 30 JUNE 2024	AS AT 30 JUNE 2023
	£'000	£'000
DEFERRED INCOME BROUGHT FORWARD	344	286
Deferred income released in the year	(193)	(193)
Income deferred in the year	455	251
DEFERRED INCOME CARRIED FORWARD	**606**	**344**

17 RESTRICTED FUNDS

	BALANCE AT 1 JULY 23	RESTRICTED INCOME	TRANSFER	RESTRICTED EXPENDITURE	BALANCE AT 30 JUNE 24
	£'000	£'000	£'000	£'000	£'000
Child Sponsorship	-	28,745	-	(28,745)	-
Unsponsored Children	-	96	-	(96)	-
Compassion Community	-	85	-	(85)	-
Gifts for children and families	-	2,394	-	(2,394)	-
Gifts for Projects	4	187	-	(191)	-
Christmas Appeal	-	896	-	(895)	1
Interventions	1,511	1,268	-	(790)	1,989
Hillsong Water from Partners	23	-	-	-	23
Disaster Relief	-	382	294	(676)	-
Child Survival Interventions	-	253	240	(493)	-
FCDO Child Survival Grant - Togo	-	-	-	-	-
HIV/Aids Funds	-	54	-	(54)	-
Sponsorship Plus	-	534	(534)	-	-
TOTAL	**1,538**	**34,894**	**-**	**(34,419)**	**2,013**

	BALANCE AT 1 JULY 22	RESTRICTED INCOME	TRANSFER	RESTRICTED EXPENDITURE	BALANCE AT 30 JUNE 23
	£'000	£'000	£'000	£'000	£'000
Child Sponsorship	-	27,173	-	(27,173)	-
Unsponsored Children	-	97	-	(97)	-
Compassion Community	-	6	-	(6)	-
Gifts for children and families	-	2,419	-	(2,419)	-
Gifts for Projects	2	223	-	(225)	-
Christmas Appeal	-	873	-	(869)	4
Interventions	96	1,849	-	(434)	1,511
Hillsong Water from Partners	23	-	-	-	23
Disaster Relief	-	728	363	(1,091)	-
Child Survival Interventions	528	314	179	(1,021)	-
FCDO Child Survival Grant - Togo	-	169	-	(169)	-
HIV/Aids Funds	-	59	-	(59)	-
Sponsorship Plus	-	542	(542)	-	-
TOTAL	**649**	**34,452**	**-**	**(33,563)**	**1,538**

PURPOSE OF RESTRICTED FUNDS

CHILD SPONSORSHIP
To relieve poverty amongst sponsored children.

UNSPONSORED CHILDREN
To support children registered in the programme but awaiting sponsorship.

GIFTS FOR CHILDREN AND FAMILIES
To bless the child or their family with additional gifts.

GIFTS FOR PROJECTS
To bless a church project with additional resources.

CHRISTMAS APPEAL
To provide a present and a celebration for each child.

INTERVENTIONS
To meet vital needs outside of what sponsorship covers.

DISASTER RELIEF
Critical relief for sponsored children and their projects, including reconstruction.

CHILD SURVIVAL INTERVENTIONS
Pre- and post-natal care for mothers and babies.

HIV AND AIDS FUND
To support sponsored children and their families affected by HIV and AIDS.

SPONSORSHIP PLUS
Additional support for beneficiaries. To address critical needs of children around the world, including Child Survival Interventions, medical emergencies, disaster relief and preventative health. During the year, £542,000 was transferred to other appropriate restricted funds. £363,000 was transferred to disaster relief and £179,000 to child survival.

FCDO CHILD SURVIVAL GRANT - TOGO
Pre- and post-natal care for mothers and babies and UK costs of administering the grant.

COMPASSION COMMUNITY
To support whole projects in relieving poverty amongst children registered in the programme.

18 RELATED PARTY TRANSACTIONS

During the year a payment of £600 was made to the Pastors Discipleship Network, a Non-profit organisation in Uganda of which Richmond Wandera is a director. This payment was for use of premises during the trustee trip to Uganda.

19 LEASING COMMITMENTS

At 30 June 2024, the total of the charity's future minimum lease payments under non-cancellable operating leases was:

	AS AT 30 JUNE 2024			AS AT 30 JUNE 2023		
	CARS	OTHER	TOTAL	CARS	OTHER	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000
Less than one year	8	7	**15**	22	7	**29**
Two to five year	-	10	**10**	8	17	**25**
Greater than five years	-	-	**-**	-	-	**-**
	8	**17**	**25**	**30**	**24**	**54**

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

This analysis shows the fund balances at year-end split into tangible fixed assets and net current assets. The analysis also shows the restricted and unrestricted funds in these categories.

	AS AT 30 JUNE 2024			AS AT 30 JUNE 2023		
	FIXED ASSETS	NET CURRENT ASSETS	TOTAL 2024	FIXED ASSETS	NET CURRENT ASSETS	TOTAL 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Restricted Funds	-	2,013	**2,013**	-	1,538	**1,538**
Designated Funds Most Needed	-	-	**-**	-	-	**-**
General Funds	3,845	3,373	**7,218**	3,907	3,928	**7,835**
	3,845	**5,386**	**9,231**	**3,907**	**5,466**	**9,373**

REFERENCES AND

ADMINISTRATIVE DETAILS

REGISTERED CHARITY NO. 1077216 (ENGLAND AND WALES)
SC045059 (SCOTLAND) COMPANY NUMBER 03719092

COMPANY SECRETARY
Amy Hiorns

REGISTERED AND PRINCIPAL OFFICE
Compassion House, Barley Way, Fleet, GU51 2UT

AUDITORS
Magna House, 18-32 London Road, Staines-upon-Thames, TW18 4BP

SOLICITORS
Barlow Robbins LLP, The Oriel, Sydenham Road, Guildford, Surrey, GU1 3SR

COMPASSION UK CHRISTIAN CHILD DEVELOPMENT

England & Wales - Charity number 1077216

Accounts

Annual Report

AND FINANCIAL STATEMENTS 2022/2023



Releasing children from poverty
Compassion®
in Jesus' name

SOFIE, DOMENICA, LIZBETH
AND DEBORA, ECUADOR

IVAN AND JOSEPH, PERU

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Highlights 2022/2023

116,142
CHILDREN AND YOUTH SUPPORTED

471,054
LETTERS WRITTEN

£50.8m
TOTAL INCOME

86.5%
OF INCOME WAS USED FOR CHARITABLE ACTIVITIES

A MESSAGE FROM JUSTIN DOWDS
CEO COMPASSION UK & COMPASSION IRELAND



At Compassion UK, our strategy is rooted in prayer. Over the past year, we've actively sought to humble ourselves before God and discern His guidance. We've leaned prayerfully into the current opportunities and challenges we face as a ministry.

In the lead up to Financial Year 23, we set goals to return to pre-pandemic levels of growth, yet in reality, we've faced further unforeseen disruption and a cost-of-living crisis, and we've been unable to meet the ambitious targets we set.

Nevertheless, we've paused and given thanks for the faithful commitment of our supporters, UK churches and other partners. We don't take it for granted that during the past 12 months, we've held 213 church partnership launches and 557 church celebration events. We're so grateful we get to partner together.

We also participated in 101 live, in-person events, and as always, our servant-hearted volunteers were an essential part in making this, and so many other initiatives, happen. In total, an incredible 12,600 hours of volunteering time were given over Financial Year 23, with 763 children finding a sponsor thanks to our volunteer speaker team.

I look back and celebrate the generosity of supporters, which means our total donations before Gift Aid were £1,098,000 higher than last year. Thanks to our Food Crisis Appeal, and Gift Aid, we've been able to provide vital food crisis relief to our church partners, including £1,412,000 of short-term food parcels and longer-term sustainable support, such as agricultural supplies, livestock and training in good farming practices.

We've made great progress releasing innovation across the organisation, including piloting two projects that are especially close to my heart. For example, Compassion UK Gift Aid continues to be used to directly fund the child development programme at 24 Compassion projects, one of which I recently visited in Rwanda. It was highly encouraging to see impressive results after one year of the test and a privilege to meet 250 thriving and growing children thanks to the care of their local church. The other has been working in partnership with a major donor, funding an initiative in Uganda that has provided support to 12,700 refugees who have fled from South Sudan.

A further highlight was the release of our Different Path Impact Report, accompanied by a celebration event at the Houses of Parliament alongside MPs and Kofi Ahonon, the Togo National Director. We gave God the glory that the three-year Child Survival initiative, funded by Compassion UK supporters and UK aid, supported 2,339 mothers and babies. 95% of mothers exclusively breastfed for the first six months, compared to a Togolese national average of 64% and 97% were born in the presence of a trained medical professional, compared to a national average of 69%. This work has been made possible by the generous support of Compassion UK supporters and UK aid which matched public donations to the 'Different Path' Appeal, our colleagues in Togo and the hard-working front line church partners.

As we've spent time living out our core value of discernment, giving time to pray and listen to God, we've been looking to the future, reflecting afresh on our 2023 vision to support 200,000 children living in poverty by 2030. I acknowledge that given the volatile, uncertain, complex and ambiguous environment we're operating in, this goal may seem unrealistic. Indeed, the 1,500 decline in child sponsorship numbers over Financial Year 23 was clearly not the path we were anticipating.

Yet, as we prayed, we did not get a sense that God was giving us permission to walk away from the desire to serve more children more quickly. And as we look at the reality our frontline church partners and national offices are facing, the need is greater than ever, with estimates indicating that by 2030, nearly 7% of the global population could still be living in extreme poverty.

When we created space, expecting God to speak, we felt prompted to move forward with confidence and faith, setting out in pursuit of what we believe He has called us to as a ministry.

Given the high inflation rate in many of the countries where we work, we made the prayerfully considered decision to undertake a sponsorship rate increase in September 2023 to enable us to continue providing excellent care to the children and young people we serve. We also decided to develop additional giving options and new ways for our supporters to come alongside our church partners as they release children from poverty, in Jesus' name.

Time and again, we've been reminded of the verse in Ephesians 3:21: "Now to him who is able to do immeasurably more than all we ask or imagine, according to his power that is at work within us."

I hope you will be encouraged as you read this report. Rejoice with me that we have a God who can do "immeasurably more" in the lives of the children, young people and families we serve. Thank you once again for partnering with us.

RELEASED FROM POVERTY INTO LEADERSHIP

"On several occasions, I asked myself, 'Does God care about me?' Because poverty was teaching me that God didn't care, that I wasn't important, that I was not valuable. And it was in the middle of that, that God used Compassion to show me His love and His care for me.

"When I was seven, I was shining shoes in the street; when I was 14, I was fixing and assembling computers; when I was 23, I was already an IT manager.

"We don't know how God is going to use the child you are sponsoring today, but we do know for sure we are changing one life; we are impacting a community; we are bringing glory to the Lord."

TONY BELTRAN,
Compassion International National Director, Dominican Republic



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Objectives &ACTIVITIES

"Every time I receive a letter from my sponsor, I go to the mountain where I have my animals, and I sit on the grass to read my letters. I read them many times to memorise everything my sponsor tells me," Lizbeth says

SEVEN-YEAR-OLD LIZBETH FROM ECUADOR LOVES HER SPONSORS LETTERS

WHO WE ARE

CHRIST CENTRED

Jesus is at the centre of everything we do. Our programmes show God's love to children living in poverty. Whilst Christ's love motivates us, we help children and families from all backgrounds, regardless of belief.

CHILD FOCUSED

We intentionally begin with children, the most vulnerable to the devastating effects of poverty. We support children in every area of their lives, tackling the root causes of poverty that hold them back.

CHURCH DRIVEN

We believe the Church is the hope of the world. We run our programmes in exclusive partnership with local churches because they know their communities inside out.

COMPASSION'S VALUES:
Integrity, excellence, stewardship, dignity, discernment



AT A GLOBAL LEVEL

COMPASSION UK

IS PART OF THE WIDER COMPASSION FAMILY

MADE UP OF
16
GLOBAL FUNDRAISING PARTNERS

WITH
8,664
FRONT-LINE CHURCHES

WE WORK IN
29
COUNTRIES

WHO ALTOGETHER SUPPORT
2,353,045
CHILDREN

OUR MISSION:

RELEASING CHILDREN FROM POVERTY IN JESUS' NAME

Our charitable purpose as defined by our articles of association:

THE RELIEF OF POVERTY, SUFFERING OR DISTRESS AMONGST CHILDREN.

THE EDUCATION AND TRAINING OF CHILDREN.

TO ADVANCE THE CHRISTIAN FAITH IN ALL OR ANY PART OF THE WORLD.

THE DEVELOPMENT OF CHILDREN TO SOCIAL AND SPIRITUAL MATURITY.

PUBLIC BENEFIT:
Our trustees review our activities each year to ensure we follow the Charity Commission's general guidance on public benefit and their specific guidance on the prevention or relief of poverty and the advancement of religion as defined by our articles of association.

HOW WE SERVE CHILDREN

OUR 3 KEY PROGRAMMES

“Axel got very sick with dengue fever from the mosquitos. The (Compassion) project provided his medicines, which I could not afford. They were extremely expensive. I am thankful. God allowed me the blessing of a baby. I am so happy to have Axel. His name means ‘God makes you forget’. Through this blessing, God will allow me to forget the past. My life has changed because of the Survival programme. They even take us on family trips and arrange outings. We get to have meetings and celebrations.”

SEYLA AND HER SON AXEL



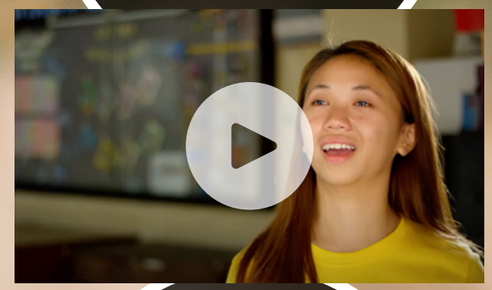
CHILD SURVIVAL

We reach at-risk children even before they've been born. Through access to pre- and post-natal care, nutritional supplies, vaccinations and critical support and training for mums, we give children the opportunity to not only survive but thrive.



INTERVENTIONS

Compassion Interventions equip us to take further action to help children and the communities in which they live. From the provision of safe drinking water to initiatives to tackle malnutrition and the distribution of emergency relief after a disaster, Compassion intervention save lives.



SPONSORSHIP

We believe that every child should be known, loved and protected and that they are precious and unique. Our Child Sponsorship Programme is tailored to meet the needs of each individual child. We want each one to have the opportunity to escape poverty and find hope for a better future. In addition to one-to-one sponsorship, we continue to pilot new support models, including whole-project-funded sponsorship for South Sudanese refugees in Uganda and co-design communities.

STEWARDING YOUR SPONSORSHIP DONATIONS

We're committed to integrity and transparency when using your £32 a month donation.

We use a minimum of 80% of your donation to benefit your sponsored child. If you donate £32 a month, at least £25.60 is granted to Compassion International to bring lasting change to the child you're supporting.

HERE'S HOW IT WORKS.

£25.60 enables us to give your sponsored child access to Compassion's highly effective child development programme. It empowers the child you support to overcome poverty holistically and sustainably.

AND THE REST?

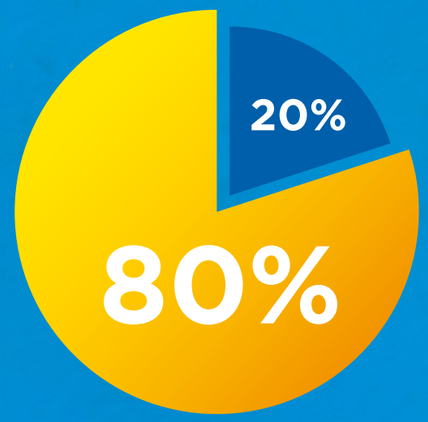
The remaining 20% of your donation is used just as strategically. While £25.60 of your monthly donation releases your individual sponsored child from poverty, the remaining £6.40 benefits other children and enables us to operate effectively with excellence.

COMPASSION UK → **LOCAL CHURCH WITH COMPASSION** → **CHILDREN**

Your donation...

- Ensures we can operate with excellence.
- Enables Compassion UK to thrive now and in the future.
- Finds the next sponsor for a child living in poverty.
- Gives us the ability to care for existing sponsors, including yourself!
- Maximises your investment in children's lives.
- Helps us operate with excellence on the ground.
- Provides suitable infrastructure.





At least 80% of your donation directly benefits children in Compassion's programme.

You equip the incredible team of staff and project volunteers who care for and mentor your sponsored child week in, week out.
By contributing to local project staff salaries and volunteer expenses, you give your sponsored child someone to listen to and disciple them.

DISRUPTION TO COMPASSION'S ACTIVITIES

Compassion partners with local churches because we believe they are best placed to understand the needs of their communities. Our frontline church partners have established decades of trust, which enables them to cultivate supportive and empowering relationships with children and families.

This past year has seen the local church continue serving faithfully in the face of considerable challenge. Worsening economic pressures, conflict, natural disasters and climate change—as well as the continued disruption following the pandemic—have added additional hardship and forced our church partners into being adaptive and highly strategic in their response to immediate need while also cultivating longer-term solutions.

Many church partners have found it necessary to redeploy their funds to prioritise the urgent needs of children, families and communities. Rising inflation has meant that funds haven't gone as far as previously, so difficult and inventive choices have had to be made to identify priorities and tailor work for ever-changing contexts.

CONFLICT

ETHIOPIA

In November 2020, conflict broke out in the Tigray (northern) region of Ethiopia and spread to some of the surrounding regions. In November 2022, a formal peace agreement was brokered, including the reestablishment of humanitarian access to Tigray.

We're hugely encouraged by this development, but our church partners' efforts to restart programme activities have been met with challenges, as has our ability to communicate with them effectively and to supply funds. Our team in Ethiopia has worked hard to explore ways to get aid, where possible, to church partners and the children and families they serve.

It has been a great encouragement that as of the end of June 2023, outside the Tigray region, there has been greater stability, and projects have been able to reopen.

BURKINA FASO

Since the beginning of June 2022, unrest has caused instability in Burkina Faso, limiting our frontline church partners' ability to gather children together for regular activities. Due to increasing violence and instability, and an inability to communicate with or deliver aid to the affected regions, Compassion made the difficult decision to suspend operations in that portion of the country.

Designated funds have been held at Compassion International's headquarters and remain committed to the frontline churches and the children in this region. They will be distributed at the earliest opportunity.

Since the start of the unrest, Compassion has facilitated emergency support and training to social workers, volunteers and pastors on supporting children and youth with emotional trauma. We have also equipped frontline church partners in the areas of child protection and access to relief services provided by the government and other organisations.

NATURAL DISASTER

HAITI

Haiti experienced major earthquakes in 2021 and 2022, affecting 46 of Compassion's church partners and more than 150,000 Compassion supported children. Our frontline church partners worked with many families in the aftermath to rebuild or repair homes during 2022.

Following these disasters, the country has experienced political turmoil, a devastating rise in gang violence and a severe food crisis. Some local church partners have had to adapt the way they support children to ensure they are not put in harm's way and to provide families with food packages and agriculture support.



AFTER THE IMPACT OF THE EARTHQUAKE IN HAITI, NINE YEAR OLD MIA RECEIVED PSYCHOLOGICAL SUPPORT OFFERED BY COMPASSION THAT HELPED HER FIND THE STRENGTH AND COURAGE TO FACE THE FUTURE.



FATUMA, FROM ETHIOPIA, SHARES HOW THE COMPASSION CENTRE MEET HER FAMILY'S NEEDS: "I'M COMFORTED, NOT JUST BECAUSE OF THE PROVISION OF FOOD BUT BECAUSE I KNOW I HAVE PEOPLE WHO CARE FOR ME".

COST-OF-LIVING CRISIS

SRI LANKA

Sri Lanka continues to face its worst economic crisis since its independence in 1948. Driven by multiple factors, exacerbated by the pandemic and the rising cost of living, almost a quarter of the 22 million population is struggling to find adequate, nutritious food.

Compassion's Senior Manager of Partnerships in Sri Lanka, Ayanka, says, "Twenty-one per cent of the population is experiencing food shortages…we see parents eating only one or two meals a day. Breastfeeding mothers do not eat three meals, so the nutrition level of children and caregivers is lowering."

Just as our participant families, our staff and their dependents have experienced higher levels of anxiety and difficulty in acquiring essential goods and resources. Food, medicine and fuel have been difficult to obtain, and power cuts have become more severe, with periods of seven hours or more without power.

Encouraging children and young people to continue in their education, despite the considerable set-backs caused by the pandemic, has been hard. For those who feel unable to keep up at school, project staff find vocational training opportunities and come alongside the young people to help rebuild their confidence so they can once again start dreaming of brighter futures and not give up despite such challenging circumstances.

SPEAKING UP FOR CHILDREN

“The best part of volunteering with Compassion is the friendship and fellowship of working with a group of people who have a common passion, knowing that we are working to promote something so close to God’s heart.”



Our **136** active volunteer speakers helped us see **763** sponsorships during the financial year.

Our 27 administrative volunteers gifted approximately **5,720 HOURS** during the financial year.





Our Challenge Event Volunteers raised **£66,000** during the financial year.

303 volunteers helped serve Compassion at live events during the financial year.





He took a little child whom he placed among them. Taking the child in his arms, he said to them, “Whoever welcomes one of these little children in my name welcomes me; and whoever welcomes me does not welcome me but the one who sent me.”

Mark 9:36-37

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Strategic REPORT

“For I know the plans I have for you,” declares the Lord, “plans to prosper you and not to harm you, plans to give you hope and a future.”

Jeremiah 29:11

THANKS TO THE COMPASSION-SUPPORTED EARLY CHILDHOOD DEVELOPMENT CENTRE, GRACE CAN LEARN, PLAY, EAT AND PRAY IN A VIBRANT AND ENGAGING ENVIRONMENT. RUN BY A LOCAL CHURCH, THE CENTRE IS A SPRINGBOARD FOR HER DREAMS, EMPOWERING HER TO BREAK FREE FROM POVERTY AND BUILD A BRIGHTER FUTURE.

1 JULY 2022 – 30 JUNE 2030

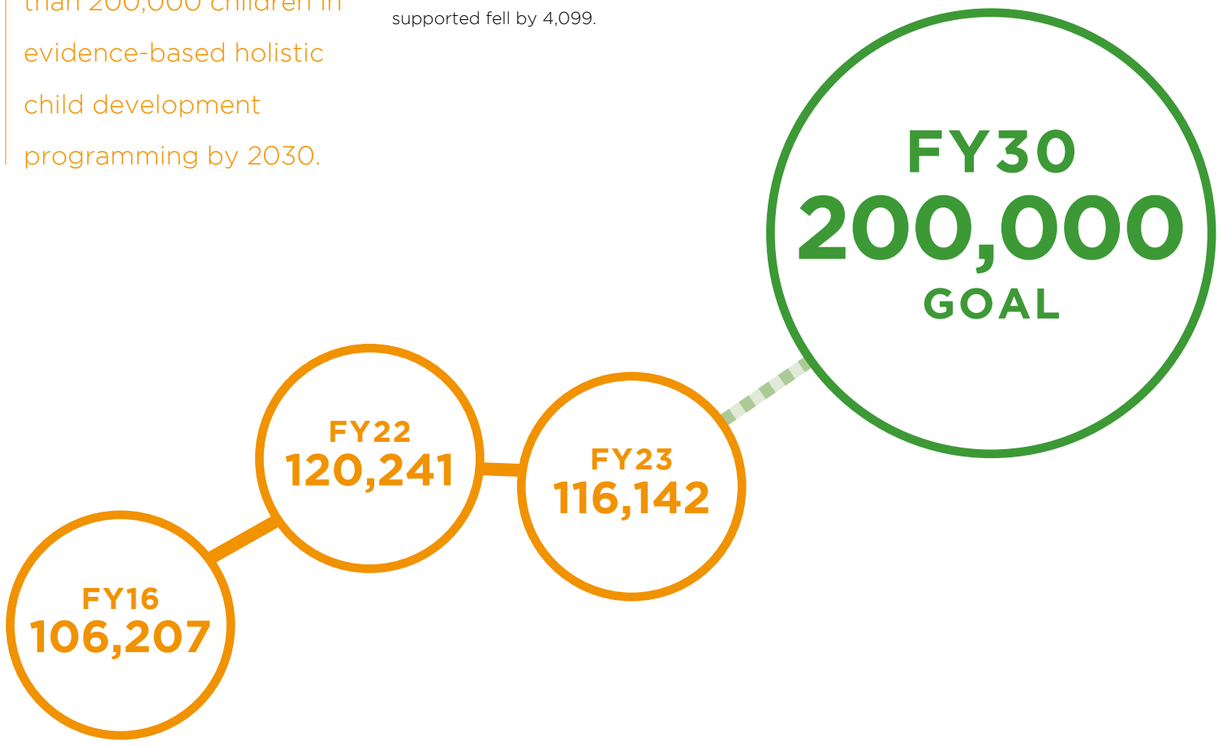
STRATEGIC GOALS

Accelerate the rate of ministry growth to enable the support of more than 200,000 children in evidence-based holistic child development programming by 2030.

In a six-year span between FY16 and FY22, Compassion increased the number of children it supported from 106,207 to 120,241, an average of 2,339 per year.

In FY23, that number of children supported fell by 4,099.

Despite the challenges experienced this year, and the difficult economic outlook, we have not felt led to give up on the long-term desire to serve more children more quickly.



IN PURSUIT OF OUR FY30 GOAL, WE AIMED TO ACHIEVE THE FOLLOWING IN FY23...

ACCELERATE OUR IMPACT BY SUPPORTING 123,700 CHILDREN

Our aim during FY23 was to increase the number of children supported in effective programming by 3,500, mostly through sponsorship growth.

The external environment proved to be much more challenging than anticipated at the time the goals were set, where we had assumed results would be similar to pre-pandemic levels. In reality, new sponsorships were much harder to find, particularly in the first few months of FY23. As a result, the number of sponsored children reduced by 1,500.

In addition, the number of children waiting for a sponsor reduced by 2,111. We register and financially support children while they are waiting for sponsors. We overestimated the number of children that would be sponsored in early FY23 and consequently registered more children in our programmes than we were able to find sponsors for. The current figure now registered better reflects upcoming sponsorship demand.


JOHANNA WITH HER FRIENDS, ALL AGED 4-6, WON A NATIONAL LEGO COMPETITION IN HONDURAS.

EMPOWER OUR PEOPLE TO THRIVE

For several years Compassion UK's team have had incredible engagement scores. Nonetheless we wanted to continue to see staff engagement metrics increase. We value our staff and want to see them thrive and enjoy their work.

Engagement did decrease slightly in our end-of-year survey. Our plans to address the main themes can be found on page 12.



BUILD CAPABILITIES ENABLING FUTURE GROWTH

We wanted to build a strategy and insights capability and an innovation lab tasked with ideating and developing new ways to increase the number of children we serve in effective programming.

We successfully set these functions up, and during the year, the lab identified 23 new opportunities, of which 6 will be developed further during FY24.



KNOWING, LOVING AND CONNECTING SUPPORTERS

We wanted to increase the number of highly engaged supporters because they pray for their sponsored children more often, write more encouraging messages and are less likely to cancel their sponsorship.

We aimed for a 5% increase in the number of highly engaged sponsors. We achieved a 1.7% increase.



IN PURSUIT OF OUR FY30 GOAL,

WE AIM TO ACHIEVE THE FOLLOWING IN FY24

FIND NEW ONE-TO-ONE SPONSORSHIPS FOR 9,105 CHILDREN

Our existing supporters remained very faithful throughout the UK cost-of-living crisis. This economic crisis did, however, slightly curtail our ability to find new sponsorships for children.

During FY24, we want to increase the number of children we find sponsorships for by 18.2%. In the latter portion of FY23, there was evidence that this was a realistic goal.



INCREASE THE SPONSORSHIP RATE TO £32 TO MAKE SURE OUR PROGRAMMES REMAIN EFFECTIVE AND ADEQUATELY FUNDED

To continue to effectively meet the needs of children in poverty, it is essential that we ensure that children in our sponsorship programmes are adequately supported financially. Due to factors such as inflation, climate change and food shortages, the cost of supporting children has increased. In FY24, we will be asking our supporters to increase their monthly financial contribution from £28 per month, to £32 per month of which at least 80% will be used to benefit children in poverty.



FOR AT LEAST 94.8% OF SPONSORS TO CONTINUE THEIR SPONSORSHIPS

We want sponsors to continue supporting children until they complete the sponsorship programme. This figure reflects both the challenging economic environment and our increased sponsorship rate, which might prompt some supporters to stop. We are trying to mitigate some of these cancellations by allowing other supporters to over-contribute to sponsorship and bear each other's burdens.



CREATE NEW WAYS FOR SUPPORTERS TO SUPPORT CHILDREN IN POVERTY

We believe in the transformative power of child sponsorship, but we know that it doesn't suit everyone who wants to release children from poverty in Jesus' name. We want to create and test several new ways for supporters to be able to participate in Compassion's mission during FY24 and have these available to supporters by FY25.



EMPOWER OUR PEOPLE TO THRIVE

We want to create talent-development pathways for team members at Compassion. This will help team members achieve their own goals while positioning Compassion for the needs of the future.

Our staff team also bear strain when vacancies arise. Knowing that the employment market has become more volatile, we aim to reduce our time to recruit replacement staff members so that positions are vacant for less time. This will include investing in our Employer Brand so that Compassion remains an attractive employer for prospective employees.



OPERATING WITH EXCELLENCE FOR THE FUTURE

To ensure that we are an efficient and effectively run organisation, we will invest in team-level innovation to improve the way that we operate and to continuously improve.

We will also invest in a review of all our supporter-focused IT platforms to ensure we have the right tools and technology for the next phase of growth.





COMPASSION UK'S **IMPACT** THIS FINANCIAL YEAR

OUR SPONSORSHIP PROGRAMME

We connect one vulnerable child born into poverty with one sponsor. Through sponsorship, every child is provided with holistic care in each area of their lives - mind, body, heart and spirit.

12,098
CHILDREN WERE NEWLY SPONSORED

7,655
YOUNG ADULTS AND CHILDREN LEFT THE PROGRAMME

94%
OF SPONSORS CONTINUED THEIR SPONSORSHIP

AT THE YEAR END, THERE WERE **104,864** CHILDREN AND YOUTH REGISTERED IN OUR SPONSORSHIP PROGRAMME, A DECREASE OF 1,500

PROJECT SPONSORSHIPS

We're piloting a new approach using Gift Aid funds to support whole projects in Rwanda, Uganda and Kenya and are monitoring outcomes.

5,660
CHILDREN WERE BEING SUPPORTED IN THIS PROGRAMME THIS YEAR, A DECREASE OF **100**

OUR CHILD SURVIVAL INTERVENTIONS

We reach at-risk children even before they've been born. Through the provision of pre- and post-natal care, nutrition, and vaccinations, plus critical support and training for mums, we aim to give children the best start in life.

4,220
MOTHERS AND BABIES WERE REGISTERED IN CHILD SURVIVAL INTERVENTIONS BY THE YEAR END, A DECREASE OF **776**

OUR UNSPONSORED CHILD PROGRAMME

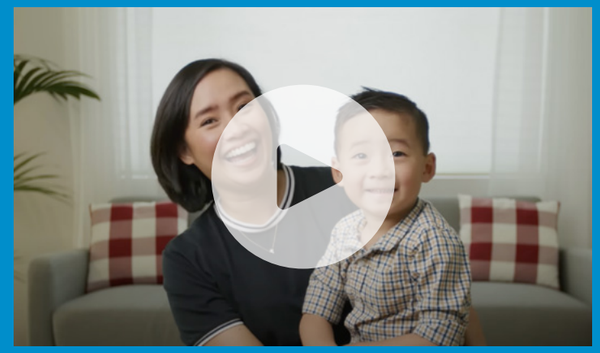
We ensure children benefit from quality holistic care while we try to find them a sponsor.

AT THE YEAR END, THERE WERE **3,561** CHILDREN BEING LOOKED AFTER WHILE WAITING FOR A SPONSOR, A DECREASE OF **2,111**

REFUGEE SUPPORT

In addition to the **116,142** children and young adults supported above, we are also continuing to pilot supporting **12,700** South Sudanese refugees in Uganda

471,054
ENCOURAGING MESSAGES OF SUPPORT BETWEEN CHILDREN AND THEIR SPONSORS



£643,000
SPENT SUPPORTING FAMILIES WITH AGRICULTURAL SUPPLIES, ANIMALS AND TRAINING IN FARMING PRACTICES, TO MITIGATE THE ONGOING FOOD CRISIS

SET UP AN AGROECOLOGY CENTRE IN TOGO TEACHING CLIMATE MITIGATION FARMING PRACTICES TO MORE THAN **3,500** PARTICIPANTS

2 TOILET BLOCKS AND **20** TOILETS IN HOMES

5
NEW SAFE WATER SOURCES

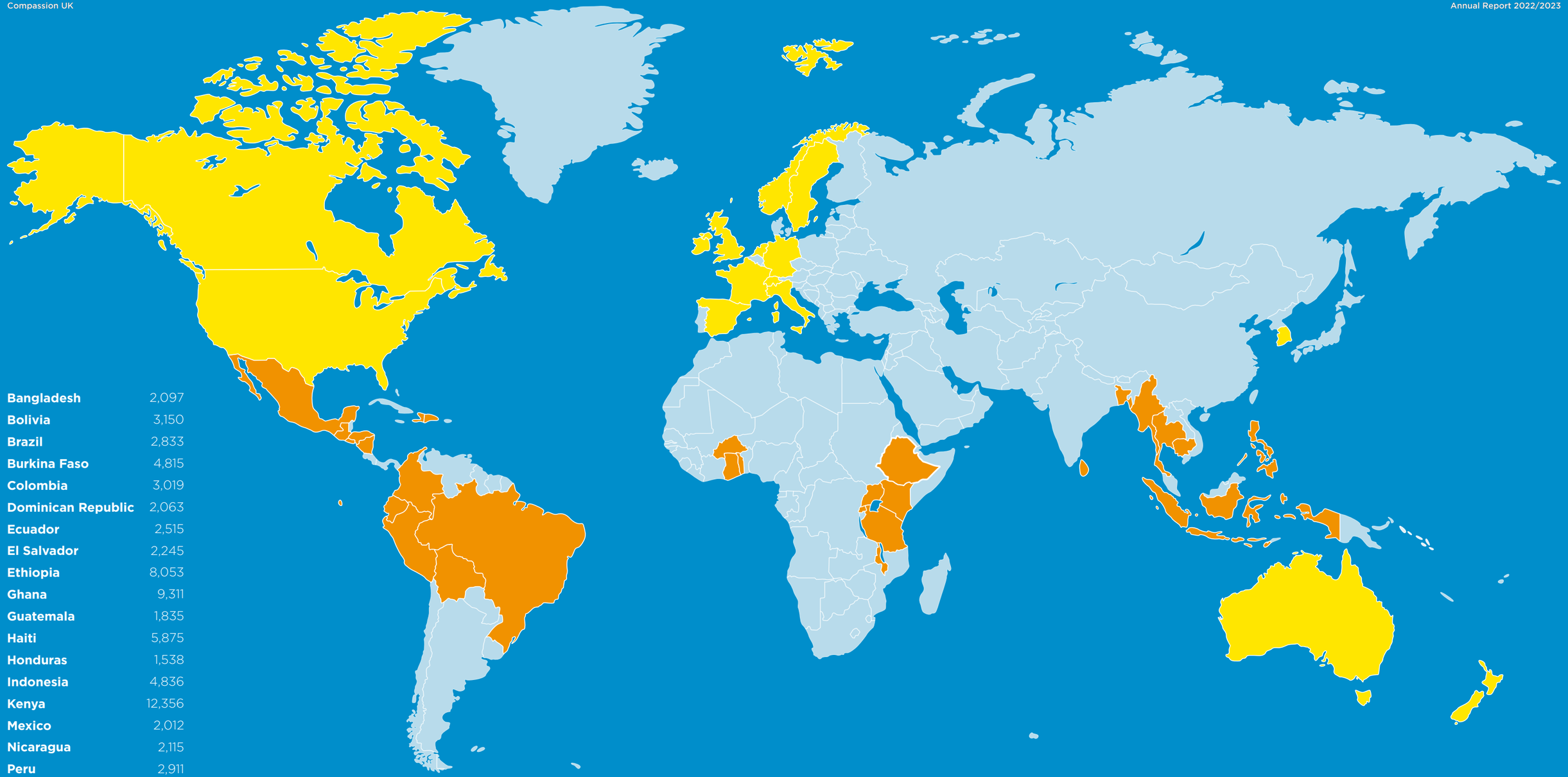
7 COUNSELLING ROOMS FOR CHILDREN IN SRI LANKA

£769,000
SPENT ON SUPPORTING FAMILIES AFFECTED BY THE FOOD CRISIS WITH IMMEDIATE FOOD, MILK AND VEGETABLES

COMMUNITY-BASED CHILD PROTECTION IN **10** COMMUNITIES IN TOGO

ENTREPRENEURSHIP TRAINING FOR **200** YOUTH IN KENYA

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Bangladesh	2,097
Bolivia	3,150
Brazil	2,833
Burkina Faso	4,815
Colombia	3,019
Dominican Republic	2,063
Ecuador	2,515
El Salvador	2,245
Ethiopia	8,053
Ghana	9,311
Guatemala	1,835
Haiti	5,875
Honduras	1,538
Indonesia	4,836
Kenya	12,356
Mexico	2,012
Nicaragua	2,115
Peru	2,911
Philippines	3,351
Rwanda	9,150
Sri Lanka	1,959
Tanzania	5,503
Thailand	2,092
Togo	5,760
Uganda	14,746

Compassion has started to partner with churches in **Malawi**, **Myanmar**, **Cambodia** and **Zambia**. In these four countries, we're currently developing new church partnerships, starting by supporting mums and babies through Child Survival Interventions.

COMPASSION UK

CHILDREN SUPPORTED:

116,142

IN 29 COUNTRIES WHERE WE WORK

FINANCIAL REVIEW
INCOME & EXPENDITURE

INCOME
£51.1m
(↑ £0.6m)

OTHER INCOME
£0.4m
(↑ £0.2m)

DONATIONS, GRANTS AND GIFT AID
£50.8m
(↑ £0.4m)

99%
of income is donations and Gift Aid from the public

£1.47m
Intervention donations increased by £1.47m

£0.6m
Most needed donations decreased by £0.6m

£0.4m
Sponsorship income decreased by £0.4m due to fewer sponsored children

EXPENDITURE
£50.1m
(↑ £0.2m)

SURPLUS GENERATED
£1.0m

FUNDRAISING
£5.9m
(↑ £1.0m)

SUPPORT & GOVERNANCE
£3.5m
(↑ £0.2m)

FUNDS BENEFITING CHILDREN IN POVERTY
£40.7m
(↓ £1.0m)

86.5%
donations were used for charitable activities

FRS102: Expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity, apportioned to charitable activities.

80.1%
of all donations were used to benefit children in poverty

Grants made for the benefit of children to Compassion International including project costs and costs of running regional offices. Also included are costs of facilitating the relationship between child and sponsor such as child letter writing and relevant apportioned overheads.

£1m
A £1m legacy received right at the end of the year could not be used to benefit children before the year end and will be utilised in FY24.

This has resulted in a £1m surplus. Had this been granted, 82% of donations would have been used to benefit children.

Fundraising costs have increased as a result of:
- **The ending of pandemic restrictions**
- **Inflation**
- **Investment in innovation and testing**

FINANCIAL REVIEW
RESERVES

During the COVID-19 pandemic, opportunities to meet potential new supporters, in a cost-effective way, and introduce them to Compassion were limited. As a result, fundraising expenditure was reduced, which resulted in a lower number of sponsored children. This reduction in planned fundraising spending also resulted in the accumulation of excess general reserves.

The trustees and senior leadership team are acutely aware there has been a sharp rise in poverty due to factors such as inflation, food shortages, climate change and the after-effects of COVID-19.

There is an urgent need to provide additional support to children and youth who are already in the sponsorship programme, while at the same time, there is a need to find more supporters who will be able to offer the funding to provide for children who are not yet being reached.

At the end of the financial year, Compassion UK held £7.9m in general reserves, of which £4.0m were free reserves. The trustee's policy is to hold six months of operational expenditure (£4.5m) in reserve to protect the organisation in unforeseen circumstances. The remaining £3.4m of general reserves are excess reserves that will be utilised over three years to increase the number of children supported by Compassion through investing in innovation and finding new supporters.

RESTRICTED RESERVES
£1.5m
(↑ £0.9m)

£0.9m
Restricted reserves increased due to a large legacy received at year-end

GENERAL RESERVES
£7.9m
(↑ £0.2m)

£3.4m
Ringfenced to benefit children in poverty by building future growth capabilities and finding new supporters

£4.5m
General reserves minimum requirement (six months, operational expenditure)

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PRINCIPAL RISKS AND UNCERTAINTIES

Compassion UK is a global partner of Compassion International, which has a separate risk management and global audit function focusing on Compassion's large-scale risk profile internationally. Compassion entities work together in the identification and co-assessment of Compassion's global risks. This includes the risks all the way from Compassion UK to the child and their project. The UK trustees bear the responsibility for ensuring that risks are managed and controlled appropriately.

Summary of major risks and Compassion's risk mitigation

MORE CHILDREN AND THEIR FAMILIES FALL INTO FOOD INSECURITY AND EXTREME POVERTY

Children and their families are now more likely to experience hunger and food insecurity because of the global food crisis, rising inflation, extreme weather, drought, the impact of the COVID-19 pandemic and conflicts in Ukraine and elsewhere. Our commitment to the children we serve remains the same, but their needs have grown.

Generosity of our supporters
We are grateful and blessed to have supporters who continue to be inspired, even in these difficult times, to give generously to prevent even more children being drawn into extreme poverty.

Food crisis appeal
In response to the global food crisis, we have an ongoing appeal to provide emergency food packages to families vulnerable to food insecurity and provide long-term food security through the distribution of seeds, fertiliser, livestock and training on building and maintaining home gardens and small-scale farms.

We have also invested in an agro-ecology training centre to teach climate adaptive agriculture to increase household resiliency. It is hoped this model can then be expanded beyond Togo.

Compassion's frontline church partners
Compassion's local church partners are doing everything they can to support children and their families. This includes conducting routine health checks to identify and monitor malnutrition and hunger and then taking immediate and appropriate action.

We are also strengthening the capacity of local church partners to address the needs of children and youth in their programme so that they can reach the most vulnerable in cost-effective and sustainable ways.

IMPACT OF THE VOLATILITY IN THE ECONOMIC CLIMATE

Our supporters are affected by the greater cost-of-living expenses caused by the impact of economic uncertainties, rising global energy prices due to the war in Ukraine, rising inflation, slowing economic growth and recovery from the COVID-19 pandemic. This could lead to reduced charitable giving and donations, a decline in philanthropic giving and insufficient programmatic funds. This is likely to be compounded by rising costs of doing business, including salaries, and increased need for the children served by our programmes.

Child sponsorship rate change
We recognise the current period of inflation has affected our supporters differently. After prayerful consideration, plans are in progress to change our child sponsorship amount to £32 a month. All our generous supporters will have the choice to either opt out of the change of sponsorship rate or make a higher donation to support those who can't pay more.

Hedging
Careful planning means we can increase currency stability via hedging.

Diversifying revenue stream
We have developed a strategic focus on the diversification of our income, including investigating innovative initiatives to create innovative initiatives to increase additional revenue streams.

REDUCED PARTNERSHIP OPPORTUNITIES

The impact of the COVID-19 pandemic on events and church attendance disrupted opportunities for partnerships to promote the Compassion sponsorship programme.

Increasing our reach via investment in church partnerships, volunteers and event organisers
We have expanded our volunteer speaker network and continue to find ways to partner with churches and a wider range of event organisers both physically and digitally.

Increasing our digital marketing reach
We are using creative digital approaches for our marketing and fundraising initiatives to maximise opportunities to reach wider audiences.

ADVERSE NEGATIVE PUBLICITY

Any risk of potential reputational damage as a result of incidents or crises that may impact Compassion or our partners is carefully managed. Our response to and resolution of any issues are overseen by our trustees.

Investment in media monitoring
We invest in media monitoring services to be aware of any emerging stories relating to Compassion, our partners or our area of ministry as soon as possible. In addition, we have clear and robust serious incident reporting and crisis communication processes in place, which includes collaboration with Compassion International and our UK-based PR agency, to manage any potential or emerging communications issues.

CYBERSECURITY THREATS

In an increasingly connected world, cybersecurity threats are becoming more sophisticated.

We continued to strengthen technical and organisation safeguards
Compassion UK has successfully maintained the National Cyber Security Centre's Cyber Essentials Plus Certification, demonstrating that sufficient measures are in place to guard against the most common cyber threats. We continue to implement security enhancements to proactively identify cyber risks and commit to conducting robust security reviews of suppliers who are engaged as data processors.

SAFEGUARDING INCIDENTS

Protecting people who come into contact with Compassion, particularly children, is the heart of what we do. Increasing global risks related to COVID-19, the food crisis, political instability and complex emergencies are causing vulnerabilities that are increasing rates of child marriages, child labour, trafficking and family separation in developing countries. For more on safeguarding, see page 19.

Child protection remains Compassion's key priority
Compassion continues to be vigilant in embedding protection and safeguarding efforts into all areas of the ministry. This includes implementing robust and rigorous procedures that encourage reporting. Compassion International has also made significant investment in delivery of global training and improving systems for global reporting and incident management.

FINANCIAL INCIDENTS

Our programmes operate in areas of poverty within countries where there may be political and/or social unrest and an increased risk of corruption and fraud.

Working with the right partners
We have a rigorous recruitment and selection process for choosing partners we work with. Our partnership agreements set out responsibilities and expectations, including alignments with Compassion global policies and financial control frameworks, reporting and audit systems.

Supervising and auditing
Our main national offices in each country supervise local churches, overseeing financial, operational and regulatory compliance. Suitable and qualified finance staff are employed to review expenditure in detail, which helps to ensure that money is being spent correctly, alongside an independent internal audit department that reviews both local churches and the national offices.

Training and awareness
Compassion's global audit team lead the development and delivery of fraud awareness training, improving fraud detection capabilities.

Financial incident management
There is a robust investigation process in the event of an actual or suspected financial incident. During the investigation, partnerships with churches may be suspended and funds withheld. A serious incident process is also in place for reporting to appropriate local law enforcement agencies and UK regulators. Based on the outcome of the investigation, a church partnership may be terminated, and the perpetrators dismissed from their role. Compassion will take reasonable steps to recover stolen or intentionally misused funds.

RECRUITMENT CHALLENGES

The challenging labour market has led to difficulty recruiting for some roles.

Annual pay reviews and remuneration benchmarking
We remain committed to attracting, recruiting and retaining the right calibre of highly skilled staff. We promote the distinct benefits of working for the Compassion ministry. Our trustees conduct annual reviews of the pay policy and pay scales. Levels of remuneration are benchmarked regularly against labour market trends and other organisations in the charity sector.

ACTS OF GOVERNMENT AND REGULATORY BODIES

Stringent and complex legal restrictions imposed by governments on non-governmental organisations in programme countries where Compassion operates could lead to the closure or suspension of programme and/or operational activities.

Close monitoring of legal and regulatory developments
Compassion International regularly monitors and assesses legal restrictions that could constrain our operations in countries where we work/operate/serve and takes appropriate action to implement necessary changes relevant to programmatic activities. We are also exploring children and youth-led advocacy efforts.

Implementing temporary adaptations
We have the capability to make temporary adaptations to our programme delivery where required. This includes delivering a home-based programming model and direct cash transfers for caregivers of participants.

CONFLICT AND UNSTABLE POLITICAL ENVIRONMENTS

Compassion's full range of programming operations in some countries where our national offices are based were either closed or suspended because of conflict or unstable political environments.

Robust business continuity and disaster recovery planning
Compassion International monitors persistent and emerging issues in the national offices and has in place contingency measures for adapting activities, as far as possible, to meet the needs of the participants and ensure the safety and security of the workforce.

Structure, GOVERNANCE & MANAGEMENT

Now, she's stepping up to nurture the next generation in her community.

"I love being part of the project. It's priceless to see the children's faces when they receive a letter or gift. It's a blessing to be able to share those moments with them."

MARITZA, COMPASSION GRADUATE

OUR VOLUNTEER TRUSTEES

The trustees are the directors of Compassion UK for the purposes of company law and the trustees of Compassion UK for the purposes of charity law. All trustees are also members.



Jon Toohey

Chair of the Board of Trustees until 01 November 2023 (retired as a trustee 10 November 2023)
Jon is a qualified accountant, treasurer and member of the Institute of Directors with more than 30 years, experience in senior finance, systems and change management roles with global multinational companies in various industries.



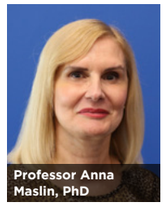
Bertram Shaun Sinniah

Appointed Chair of the Board of Trustees 01 November 2023
Shaun is the Chief Operating Officer and on the board of one of the world's leading professional service firms in the areas of risk, strategy and people. He has a wealth of experience in multiple industries.



Delfin Posada

Safeguarding Trustee Lead
A former pastor, Delfin is an internationally experienced solicitor and founding member of his law firm.



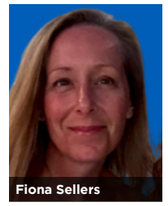
Professor Anna Maslin, PhD

Deputy Safeguarding Trustee Lead
Anna has been working globally focusing on health, human rights and international development for over 40 years, representing the UK at numerous international fora.



Tim Malton

(Appointed as a trustee 10 November 2023)
Tim has spent the last 20 years in investment banking specialising in emerging markets. Prior to this, he was involved in the insurance industry for 15 years. He is currently an advisor to a large financial services firm.



Fiona Sellers

Chair of the People and Culture Committee (appointed as a trustee 03 March 2023)
Fiona has a wealth of experience from a career in HR. She has been the director of HR at HTB Group for over five years.



Matthew Walker

(Retired as a trustee 10 November 2023)
Matthew is a qualified accountant and Chartered Member of the Institute of Housing. Passionate about improving quality of life for those he serves, he is Chief Executive of Leeds Federated Housing Association and Chair of PlaceShapers.



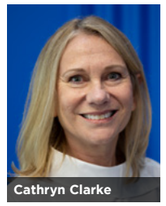
Hedy Hodson

Chair of the Finance and Audit Committee
Hedy is a chartered accountant who has had various roles working with the public sector, charities, churches and community projects with a particular focus on families and young people.



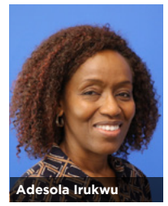
David Steinegger

(Appointed as a trustee 10 November 2023)
A chartered accountant with 40 years, experience in financial services, as well as significant experience on the board of several charities and in church leadership.



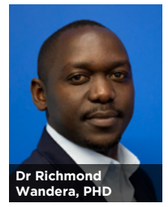
Cathryn Clarke

(Retired as a trustee 28 October 2022)
Cathy and her husband are involved in the global leadership of Hillsong Church, a thriving church in the heart of cities around the world.



Adesola Irukwu

(Appointed as a trustee 03 March 2023)
Adesola is the co-founder of Bright Futures For African Children. She holds a Bachelor's degree in Dental Surgery from the University of Ibadan, Nigeria and a Masters in Conference and Events Management from the University of Westminster, London.



Dr Richmond Wandera, PHD

Richmond is the senior pastor of New Life Baptist Church in Kampala, Uganda, the President and Founder of Pastors Discipleship Network and a Compassion Graduate.

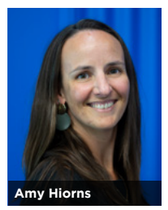
LEADERSHIP TEAM

Authority to conduct the day-to-day operations of the charity is delegated to the Chief Executive Officer, who is responsible for carrying out the strategies and policies set by the trustees. The trustees' responsibilities are set out on page 21.



Justin Dowds

Chief Executive Officer



Amy Hiorns

Chief Operating Officer and Company Secretary



Mark Preston

Senior Director of Partnerships



Nick Harris

Senior Director of Marketing and Engagement



Stephen Blow

Finance Director

RICHMOND WANDERA, TRUSTEE

HOW CHILD SPONSORSHIP CHANGED MY LIFE

"As a child, poverty began to speak to me. I felt I was nothing, that I didn't matter - nobody cared to know my name."

A church nearby heard about his family's need and registered Richmond into their Compassion project. Richmond soon received news that he had been sponsored by Heather.

"I cannot find the words to describe the joy that filled our home when we got the news," Richmond explains with a smile.

RICHMOND WANDERA, UGANDA

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SAFEGUARDING

The protection of anyone who comes into contact with Compassion UK or our work is at the core of our ministry, and we are committed to doing all we can to keep children and adults safe, ensuring that they are known, loved and protected.

We have a zero-tolerance approach to safeguarding issues involving children, with robust systems in place, both in the UK and overseas, to prevent, identify and respond to harm. The Compassion UK safeguarding implementation strategy has been updated over the past year and is embedded within the three pillars: prevention, reporting and response.

PREVENTION

Everyone at Compassion UK is responsible for creating and maintaining an environment that neither tolerates nor condones the maltreatment of children or adults. Activities and efforts to promote safeguarding primarily focus on stringent preventative interventions that reduce risk factors. These include:

Governance and Leadership – our Board of Trustees and Executive Team take their safeguarding responsibilities very seriously, actively considering how to strengthen this area of our work. During the last year, the Safeguarding Committee met to review policies and other related documents and consider progress and activities towards the safeguarding strategy implementation. Safeguarding remains an agenda item at Board meetings; regular Executive Team meetings and updates are provided to every trustee. Compassion UK and Compassion International are now using a new incident management system. Our safeguarding policy has also been updated.

Safer recruitment – safeguarding is embedded in the recruitment processes for staff, trustees and volunteers, including background and DBS checking and high standards of behaviour being set. Over the past year, we have updated and improved our Code of Conduct.

Training and development – all staff and trustees receive child protection training during their initial onboarding. Over the course of the year, all staff will receive team-specific training, which will include an audit of the work each team carries out to understand if any additional resources, training or processes are required to improve our safeguarding work. The full Board received safeguarding training in March 2023 and signed the updated Code of Conduct. Further training has been developed for volunteers and contractors in high-risk roles.

Communications and content – Compassion's Marketing and Communications Team has global standards aligning with our child protection policies. The child's interest is always our primary concern, and all communications and marketing activities have the dignity and protection of child or youth participants at the core.

Field experience – in-person travel has started to resume, and existing protocols like background checking, Code of Conduct adherence and in-country training and supervision remain in place.

REPORTING

Everyone at Compassion UK is responsible for reporting any potential incident, abuse or concern they witness or are made aware of. This includes a responsibility to report any breach of Compassion's Code of Conduct. Compassion UK has an appropriate and accessible process for reporting safeguarding concerns that is available to all. Full training has been provided to all staff at Compassion UK on the reporting protocols and procedures.

Compassion UK has a 'Whistleblowing Policy and Procedure' intended to encourage and enable anyone to raise serious concerns without fear of victimisation, subsequent discrimination or disadvantage. Whistleblowing concerns can be submitted anonymously through our website. This includes the option to report directly to the Whistleblowing trustee.

RESPONSE

Compassion's greatest responsibility is to protect children from harm. If a child is harmed, the priority is to restore the child's safety and provide an opportunity for them to heal. Compassion follows all relevant national laws relating to reporting child maltreatment and criminal behaviour.

Compassion UK fully complies with our responsibility to report all serious incidents to the Charity Commission, Foreign, Commonwealth & Development Office (FCDO) and any other relevant authority. During the past year, three incidents were reported to the Charity Commission involving a participant who was sponsored through Compassion UK. No incident involved any Compassion UK staff member or volunteer. Each incident was fully investigated, with a survivor-centred approach.

MODERN SLAVERY

Compassion UK is committed to upholding high standards of accountability and transparency to ensure modern slavery and human trafficking are not taking place within our organisation or supply chains. To date, we have found no evidence of this.

We have rigorous systems and processes for appropriate and proportionate due diligence and managing risks associated with supply chains and international operations.

We also have key policies and procedures that include guiding principles for the protection from modern slavery and human trafficking. Our safeguarding refresher training framework contains a specific focus on modern slavery and human trafficking.

The Board of Trustees annually reviews progress against our objectives for the protection from modern slavery and human trafficking to ensure adequate oversight and have delegated the regular review and reporting to the Safeguarding Committee.

OUR ENVIRONMENT

People living in poverty are disproportionately harmed by climate issues. We want to do all we can to be part of the solution.

Through assessing our carbon footprint, we monitor, reduce and offset our emissions to maintain our carbon-neutral status.

WE CONTINUE TO:

- Harness energy-efficient systems, such as solar panels and other technologies, in our offices.
- Offer paper-free experiences for supporters. We have identified this could save half a million printed documents each year.
- Reduce single-use plastic, for instance, using a biodegradable, starch-based protective cover for our magazine.
- Where possible, ensure all cars are fully electric.
- Offer virtual trips to visit Compassion programmes as an alternative to in-person visits.

DURING THE LAST YEAR:

- Our assessment this year showed that emissions increased by 107 tonnes of CO_2 to 178 tonnes of CO_2. This is linked to increased activity levels post-pandemic. Emissions remain 82.5% lower than the baseline established when emissions began being measured.
- We offset our carbon emissions through anti-deforestation efforts in Congo while also planting trees in Kenya. These schemes provide employment for local people and have a focus on the employment and empowerment of women.

GOING FORWARD, WE ARE COMMITTED TO:

- Limiting the amount of air travel and selecting airlines based on sustainability credentials for necessary flights.
- Transferring the office from a 93% renewable tariff to a 100% renewable tariff.
- Offsetting the carbon emissions caused during future periods.

As we move forward, we are committed to reducing our environmental impact to ensure we do all we can to protect people and the planet.

Carbon Footprint Standard | Carbon Neutral Organisation



WINNER, AGED 20 FROM TOGO, HAS BEEN ENCOURAGED THROUGH COMPASSION'S PROGRAMME TO PURSUE HER PASSION FOR ENGINEERING. HERE, SHE STANDS WITH HER LATEST CREATION; A SOLAR-POWERED WHEELCHAIR.

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FUNDRAISING STATEMENT

We believe that extreme poverty can be eradicated in our lifetime. This ambitious aim cannot be achieved without igniting members of the public to action. We are blessed and thankful for the long-term commitment and generosity of our supporters as we work together to empower children and their families to break free from poverty.

Compassion UK has maintained its membership with the Fundraising Regulator and complied with the Code of Fundraising Practice and the Fundraising Promise. Members of relevant departments are also registered with the Institute of Fundraising.

Compassion UK's fundraising activities are conducted mainly by its employees and volunteers. This primarily involves working in partnership with a wide range of stakeholders, including UK churches and Christian events and festivals. During fundraising events, a 'Compassion Moment' is featured, which showcases our work and inspires people across the country to help a child step out of poverty through sponsorship.

Additionally, Compassion has public-facing touchpoints, such as our website, and the Compassion App, which promotes opportunities to sponsor a child, donate to our work and support our emergency appeals and other fundraising campaigns.

Compassion has a number of supporters who undertake fundraising activities either on our behalf or through their own initiative. We have also taken reasonable steps to monitor and review fundraising activities undertaken by third-party organisations acting on our behalf, including applying robust due-diligence procedures, reviewing agreements and contractual clauses in relation to compliance with the Code of Fundraising Practice, and performance reviews.

Compassion UK does not engage professional fundraisers but has agreements with Commercial Participators that are longstanding corporate partners of the ministry.

Compassion UK's Supporter Charter is available on our website and outlines our procedures for handling complaints. In the 2022-2023 financial year, we received 39 fundraising complaints. All complaints were treated seriously, and prompt actions were taken to resolve these satisfactorily. The trustees and senior leadership continue to review complaints as a standing agenda item at their meetings. This includes reviewing lessons learnt, which are used to inform future training needs or procedure reviews.

When conducting our direct marketing activities, we remain committed to:

- offering choice and control to personalise permissions and preferences to hear about our work;
- ensuring we have robust data protection and privacy policies;
- treating those who come into contact with our work respectfully and fairly.

We monitor opt-in numbers and communication channels that our supporters prefer. We are also signed up to the Fundraising Preference Service (FPS) and ensure any opt-out requests are actioned promptly. We received one FPS suppression request in the last year, but it related to an individual whose details had never been held in our database.

Compassion UK's Policy on Supporters in Vulnerable Circumstances is publicly available on our website. We ensure everyone involved in fundraising activities is equipped to identify, interact and respond to our supporters who are in potentially vulnerable circumstances. We will always be mindful to respond appropriately to the particular needs of a supporter and ensure we have effective policies and procedures in place to treat them respectfully and fairly.

GOVERNING DOCUMENT

Compassion UK Christian Child Development is a company limited by guarantee and governed by its Articles of Association dated 24 February 1999, which was last amended by special resolution on 23 June 2023. It is registered as a charity with the Charity Commission in England and Wales and the Office of the Scottish Charity Regulator. Members must accept and believe in the Compassion UK Statement of Faith. Each member agrees to contribute £10 in the event of the charity being wound up.

APPOINTMENT OF VOLUNTEER TRUSTEES

Every trustee volunteers their services to the charity and must be a member. The chair of the Board of Trustees is elected by the trustees from one of their number.

New trustees are appointed by the existing trustees according to the charity's governing document, ensuring that the Board has the appropriate balance of skills, experience, independence and knowledge to enable them to carry out their respective duties and responsibilities.

TRUSTEE INDUCTION AND TRAINING

Trustees are given training and documentation to brief them on their legal obligations under charity and company law, the content of the Articles of Association, the decision-making process, the business plan and the recent financial performance of the charity. Every three to four years, all trustees visit one of the countries where Compassion works to see the programmes first-hand.

ORGANISATION

The Board of Trustees must have at least three members and is responsible for setting strategies and policies and ensuring that these are implemented.

All trustees give their time freely, and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in notes 11 and 18 to the accounts.

Trustees are required to disclose all relevant interests and, in accordance with the trustees' policy, withdraw from decisions where a conflict of interest arises.

The trustees conduct an annual Board review to evaluate performance against the principles set out in the Charity Governance Code. The evaluation report is used to identify and explain areas of strength and areas for development. We have established procedures that ensure actions to implement the Code's principles are reviewed routinely at each Board meeting to ensure ongoing accountability.

There are now three sub-committees, namely the Finance and Audit Committee, the Safeguarding Committee and the People and Culture Committee, which exist to provide support and advice to the Board in its governance role in respect of finance and audit issues, safeguarding, people and culture. The committees are appointed by the Board with no fewer than four members, with a minimum of two members of the committee being members of the Board.

The Board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. The Board maintains sound risk management and internal control systems.

Trustee Indemnity Insurance is provided by Compassion UK for trustees.

CONNECTED CHARITIES

COMPASSION INTERNATIONAL

We are a member of the Compassion Global Partner Alliance, consisting of organisations throughout the world with a mutual commitment of purpose, structure and methodology. In order to be as effective as possible, the delivery of help to children in beneficiary countries is coordinated and implemented centrally through Compassion International. Fundraising partner countries transfer funds raised to Compassion International, which are then used to support programmes in the 29 frontline field countries. Grants paid to Compassion International cover the grants to the frontline church partners and running the field country and regional offices, as well as programme costs at Compassion International, as this is the most efficient way to distribute funds.

COMPASSION IRELAND

We have an agreement to provide support services to Compassion Ireland for a fixed fee of 12% of all donations received. This excludes gifts and appeals, of which 100% is sent to Compassion International.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The trustees (who are also the directors of Compassion UK Christian Child Development for the purposes of company law), are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the income and expenditure of the charity for that period.

In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities Statement Of Recommended Practice (SORP);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO THE AUDITORS

Each of the persons who is a trustee at the date of approval of this report confirms:

- That in so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- Each trustee has taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

AUDITOR

Menzies LLP are deemed to be re-appointed under section 487 [2] of the Companies Act 2006.

STRATEGIC REPORT

The company has chosen, in accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, to set out within the Strategic Report the Company's Strategic Report Information required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review and details of the principal risks and uncertainties.

The Trustees' Report (incorporating the Strategic Report) was approved by the Board of Trustees (which is also the Board of Directors) on 10 November 2023 and signed on its behalf by Shaun Sinniah (Chair).

On behalf of the Board

Shaun Sinniah

Shaun Sinniah (Chair)
10 November 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMPASSION UK CHRISTIAN CHILD DEVELOPMENT

OPINION

We have audited the financial statements of Compassion UK Christian Child Development (the 'charitable company') for the year ended 30 June 2023, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2023, and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

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MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the trustees' responsibilities statement set out on page 21, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, is detailed below:

- The charitable company is subject to laws and regulations that directly affect the financial statements, including financial reporting legislation. We determined that the following laws and regulations were most significant, including the Companies Act 2006, Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Safeguarding Vulnerable Groups Act 2006, GDPR and the UK Code of Fundraising Practice. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.
- We understood how the charitable company is complying with those legal and regulatory frameworks by making inquiries to management, those responsible for legal and compliance procedures and the company secretary. We corroborated our inquiries through our review of board minutes.
- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. The assessment did not identify any issues in this area.
- We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur. As a result of the above procedures, we considered that the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the posting of fraudulent journal entries, fictitious employees and timing of revenue recognition.
- Audit procedures performed by the engagement team included:
  - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
  - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
  - Challenging assumptions and judgments made by management in its significant accounting estimates;
  - Identifying and testing journal entries, in particular, any journal entries posted with unusual account combinations;
  - Carrying out checks to establish the validity of employees, and
  - Reviewing and verifying the basis on which income is recognised in the accounts

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx.

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Menzies LLP

Janice Matthews FCA, Senior Statutory Auditor

For and on behalf of Menzies LLP, Statutory Auditor

Chartered Accountants
Statutory Auditor
Magna House,
18-32
London Road,
Staines-upon-Thames,
TW18 4BP

Dated:
10 November 2023

Menzies LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

ELÍAS, AGED 12, COLOMBIA

Financial STATEMENTS

Elías receives extra classes with experts, including a neuropsychologist and a speech therapist, to help him overcome his learning difficulties. As a result, he has made great academic progress.

"I used to feel sad and discouraged for not being able to learn, despite my effort. I used to cry. Nowadays, I feel happy because I have learned to write, read, do homework and how to add and subtract. Teachers at school tell me that I am doing better. I enjoy learning!"

STATEMENT OF FINANCIAL ACTIVITY

(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

		FOR THE YEAR ENDED 30 JUNE 2023				FOR THE YEAR ENDED 30 JUNE 2022			
	NOTE	RESTRICTED FUNDS £'000	DESIGNATED FUNDS MOST NEEDED £'000	GENERAL FUNDS £'000	TOTAL FUNDS 2023 £'000	RESTRICTED FUNDS £'000	DESIGNATED FUNDS MOST NEEDED £'000	GENERAL FUNDS £'000	TOTAL FUNDS 2022 £'000
INCOME FROM									
Donations and legacies	5a	34,283	7,072	9,276	**50,631**	33,389	7,581	9,200	**50,170**
Grants	5b	169	-	-	**169**	280	-	-	**280**
TOTAL VOLUNTARY INCOME		**34,452**	**7,072**	**9,276**	**50,800**	33,669	7,581	9,200	**50,450**
Charitable activities	6	-	-	70	**70**	-	-	71	**71**
Interest		-	-	259	**259**	-	-	24	**24**
Profit/(loss) on disposal of assets		-	-	7	**7**	-	-	-	**-**
TOTAL INCOME		**34,452**	**7,072**	**9,612**	**51,136**	33,669	7,581	9,295	**50,545**
EXPENDITURE ON									
Raising funds	7	-	-	5,902	**5,902**	-	-	4,966	**4,966**
Charitable activities	8	33,563	7,104	3,531	**44,198**	34,016	7,642	3,287	**44,945**
TOTAL EXPENDITURE		**33,563**	**7,104**	**9,433**	**50,100**	34,016	7,642	8,253	**49,911**
NET MOVEMENT IN FUNDS		**889**	**(32)**	**179**	**1,036**	**(347)**	**(61)**	**1,042**	**634**
RECONCILIATION OF FUNDS									
Total funds Brought forward		649	32	7,656	**8,337**	996	93	6,614	**7,703**
TOTAL FUNDS CARRIED FORWARD		**1,538**	**-**	**7,835**	**9,373**	**649**	**32**	**7,656**	**8,337**

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenses derive from continuing activities.

BALANCE SHEET

		AS AT 30 JUNE 2023	AS AT 30 JUNE 2022
	NOTE	£'000	£'000
FIXED ASSETS			
Tangible assets	12	**3,907**	3,912
Intangible assets	12	**-**	-
TOTAL FIXED ASSETS		**3,907**	**3,912**
CURRENT ASSETS			
Debtors	13	**2,610**	672
Cash at bank and in hand		**4,393**	4,793
Current asset investment		**3,090**	4,085
TOTAL CURRENT ASSETS		**10,093**	**9,550**
LIABILITIES			
Creditors: amounts falling due within one year	15	**(4,627)**	(5,125)
TOTAL LIABILITIES		**(4,627)**	**(5,125)**
NET CURRENT ASSETS		**5,466**	**4,425**
TOTAL NET ASSETS		**9,373**	**8,337**
THE FUNDS OF THE CHARITY			
UNRESTRICTED FUNDS			
General funds		**7,835**	7,656
Designated funds: Most Needed Fund		**-**	32
TOTAL UNRESTRICTED FUNDS		**7,835**	**7,688**
Restricted income funds	17	**1,538**	649
TOTAL FUNDS CARRIED FORWARD		**9,373**	**8,337**

TREATMENT OF RESTRICTED, DESIGNATED AND GENERAL FUNDS

Where appropriate in the financial statements, income, expenditure and reserves are classified as restricted, designated or general funds. The income and expenditure are shown after restrictions have been applied.

For example, a donation that is 80% restricted will be classified as 80% restricted income and 20% general income. If Gift Aid were claimed on this donation, 80% would be classified as designated income, and the remaining 20% would be general income.

The definitions of restricted, designated and general funds can be found in the accounting policies note 1J, 1K and 1L.

Approved by the Board on 10 November 2023 and signed on its behalf by Shaun Sinniah

Shaun Sinniah

Company Registration Number 03719092

CASHFLOW STATEMENT

	AS AT 30 JUNE 2023	AS AT 30 JUNE 2022
	£'000	£'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the reporting period (as reported in the Statement of Financial Activities)	1,036	634
ADJUSTMENTS FOR:		
Depreciation and amortisation charges	155	169
(Profit)/Loss on the sale of fixed assets	(7)	-
Dividends, interest and rents from investments	(259)	(24)
Decrease/(Increase) in debtors	(1,938)	968
(Decrease)/Increase in creditors	(498)	(550)
Creditors for fixed asset acquisitions unpaid at year-end	-	37
NET CASH PROVIDED BY OPERATING ACTIVITIES	(1,511)	1,234
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends, interest and rents from investments	259	24
Amount invested in short-term investments	995	(85)
Purchase of fixed assets	(180)	(234)
Creditors for fixed asset acquisitions unpaid at year-end	-	(37)
Proceeds from the sale of fixed assets	37	-
Net cash provided by/(used in) investment activities	1,111	(332)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD	**(400)**	**902**

	AS AT 30 JUNE 2023	AS AT 30 JUNE 2022
	£'000	£'000
Cash in hand at beginning of period	3,793	2,891
Notice deposits (less than three months) at beginning of period	1,000	1,000
TOTAL CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**4,793**	**3,891**
Cash in hand at end of period	546	3,793
Notice deposits (less than three months) at end of period	3,847	1,000
TOTAL CASH AND CASH EQUIVALENTS AT END OF PERIOD	**4,393**	**4,793**
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD	**(400)**	**902**

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NOTES

1 ACCOUNTING POLICIES

Compassion UK Christian Child Development is a private charitable company limited by guarantee incorporated in England and Wales. The address of its registered office is set out on the final page, and a description of its principal activities is set out on page 5.

A) BASIS OF PREPARATION

The financial statements have been prepared under the historic cost convention. These accounts have been prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), Accounting and Reporting by Charities: Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2019.

The charity meets the definition of a public benefit entity under FRS 102. The reporting currency is GB Pounds Sterling, and the accounts are rounded to the nearest thousand (£'000). The principal accounting policies adopted in the preparation of the financial statements are set out below.

The charity has adequate reserves and substantial recurring income. The trustees therefore consider that the charity will be able to meet its commitments for at least 12 months from the date of approval of these financial statements and for the foreseeable future. The accounts are accordingly prepared on a going concern basis.

B) INCOME

This is included in the Statement of Financial Activities (SoFA) when:

- The charity becomes entitled to the resources;
- The trustees believe it is probable they will receive the income; and
- The monetary value can be measured with sufficient reliability.

100% of child gifts and appeal donations are restricted. 80% of all other donations received are restricted. Restricted donations are granted to Compassion International.

Income that relates to a future period is carried forward as deferred income. An example of this would be where a sponsor pays child support a year in advance.

Income from Gift Aid reclaims is recognised in the SoFA when the donation is made. Where backdated Gift Aid claims have been made that relate to donations in a prior period, this has been recognised in the current period.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made or when a distribution is received from the estate.

Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income from government grants is recognised on the performance basis when there is evidence of entitlement to the grant, receipt is probable and its amount can be measured reliably.

Grants that are subject to conditions such as matched funding are only recognised once those conditions have been fulfilled.

Gifts in kind are accounted for at a reasonable estimate of their value to the charity or the amount actually realised.

Donated services and facilities are only included in income (with an equivalent amount in expenditure) where the benefit to the charity is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value to the charity of the service or facility received.

The value of any voluntary help received is not included in the accounts but is described in the Trustees' Annual Report.

Investment income is included in the accounts when receivable.

C) CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The main area of judgement is in relation to the allocation of central overhead costs between the various expenditure categories on the Statement of Financial Activities, the basis of which is set out in note 1(F).

Compassion makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. In the opinion of the trustees, the main estimate and assumption that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are in relation to the useful life of fixed assets, which are written off in accordance with the depreciation policies set out in note 1(E).

D) FIXED ASSETS

Fixed assets are capitalised if they can be used for more than one year and cost at least £5,000. They are valued at cost on receipt.

E) DEPRECIATION AND AMORTISATION

Depreciation and amortisation are calculated to write off the cost of the assets brought into use less their residual value over their expected useful lives using the following rates:

- Computer equipment: 25% straight line
- Motor vehicles: 25% straight line to estimated residual value
- Software: 25% straight line
- Furniture, fixtures and plants: 10% straight line
- Building structure: 2% straight line

Our assessment of our office valued the land at £1.3m. The rest of the structure, including the car park, is constructed from durable materials and has been estimated to have a useful life of 50 years.

F) EXPENDITURE

All expenditure is accounted for gross and when incurred. Expenditure is included in the SoFA on an accruals basis and, because the charity is unable to recover any UK Value Added Tax paid, inclusive of that irrecoverable VAT. Expenditure includes the direct costs of the activities and depreciation on related assets.

Where such costs relate to more than one functional cost category, they have been split on an estimated time, floor space or other basis, as appropriate. A functional breakdown of expenditure is shown in notes 7 to 9.

Expenditure on raising funds are the direct costs and an appropriate allocation of support costs that were used to attract donations.

Expenditure on charitable activities include: monies remitted to Compassion International and other organisations in respect of child sponsorship income; costs of supporting and providing information and education to child sponsors, including a share of the costs of the charity's magazine; and other costs incurred directly in meeting the aims of the charity. Child grants include all monies paid to Compassion International and other organisations for the direct benefit of children.

Child ministry and advocacy costs include all costs incurred in the ministry of children and raising awareness on their behalf.

This expenditure includes an appropriate allocation of support costs of central functions that have been allocated to activity cost categories on a basis consistent with the use of resources, for example, by estimated staff time or floor space.

G) FOREIGN CURRENCIES

Assets, liabilities, revenues and expenditure in foreign currencies are translated into Sterling at the rates of exchange ruling on the date on which transactions occur, except for monetary assets and liabilities, which are translated at the rate ruling at the balance sheet date where material. Transactions to be settled at a contracted rate and trading transactions covered by a related or matching forward contract are translated at those contracted rates. Differences arising on the translation of such items are dealt with in the SoFA.

H) GRANTS

Grants payable are recognised as expenditure when the commitment is entered into. Where such a grant is to be paid over instalments, the outstanding balance is disclosed as a liability.

I) OPERATING LEASES

Rentals payable under operating leases are charged to the SoFA on a straight-line basis over the period of the lease.

J) GENERAL FUNDS

General funds are funds available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

K) DESIGNATED FUNDS

Designated funds are unrestricted funds that have been set aside at the discretion of the trustees for a specific, but not legally binding, purpose.

L) RESTRICTED FUNDS

Restricted funds are income received for a particular purpose as specified by the donor or supplier, less expenditure applied for such a purpose.

M) PENSION COSTS

Compassion UK operates a money purchase pension scheme whereby it pays eligible staff defined contributions into the charity pension scheme. The contributions are charged to the Statement of Financial Activities as they become payable, and the charity's liability is limited to the amount of the contributions.

N) LIABILITIES

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

O) FINANCIAL INSTRUMENTS

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

P) CURRENT ASSET INVESTMENTS

Current asset investments are investments that the charity holds with a maturity date of less than one year. Investment properties are measured at fair value.

2 LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.

3 COMPASSION CHARITIES

COMPASSION INTERNATIONAL

The charity has a commitment to donors that 80% of monies received from child sponsorship and other child grants are transferred to Compassion International in the USA, who administer the distribution of funds for the benefit of each child on behalf of the charity (and other Compassion partners).

The amount of these funds granted during the year was £37,464,000 [FY22 £38,440,000], of which £2,674,000 [FY22 £2,864,000] was owed at the year end and a further £433,000 [FY22 £719,000] was accrued. The outstanding amount represents the June 2023 grant and was transferred to Compassion International after the year end.

The UK charity is actively involved in the overall administration of the support given to children and in the decisions made by the international partnership of Compassion charities.

Compassion International paid expenses of £8,000 [FY22 £3,000] to Compassion UK. Compassion UK incurred expenses of £13,000 [FY22 £74,000] to Compassion International, of which £0 [FY22 £45,000] was accrued at year-end.

COMPASSION IRELAND

During the year, Compassion Ireland's administration requirements have been undertaken for a fixed fee of 12% of donations received, excluding gifts and appeals. Some direct costs previously funded by Compassion UK are now paid directly by Compassion Ireland, and the administration fee is reduced proportionately.

During the year, £32,000 [FY22 £65,000] was received in income from servicing Compassion Ireland, and costs were £72,000 [FY22 £89,000]. The intercompany balance owing by Compassion Ireland is £19,000 [FY22 £82,000].

4 NET MOVEMENT IN RESOURCES FOR THE YEAR

	FOR THE YEAR ENDED 30 JUNE 2023	FOR THE YEAR ENDED 30 JUNE 2022
	£'000	£'000
Depreciation and amortisation of fixed assets	155	169
(Profit)/Loss on disposal of fixed assets	(7)	-
Annual audit fees	31	23
Other fees paid to auditor for advice/consultancy, etc.	2	4
Foreign exchange (gains)/losses	17	(5)

5a DONATIONS AND LEGACIES

	FOR THE YEAR ENDED 30 JUNE 2023				FOR THE YEAR ENDED 30 JUNE 2022			
	RESTRICTED FUNDS	DESIGNATED FUNDS MOST NEEDED	GENERAL FUNDS	TOTAL FUNDS 2023	RESTRICTED FUNDS	DESIGNATED FUNDS MOST NEEDED	GENERAL FUNDS	TOTAL FUNDS 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
MINIMUM 80% RESTRICTED								
Child Sponsorship	27,173	-	6,795	**33,968**	27,489	-	6,872	**34,361**
Unsponsored children	97	-	24	**121**	99	-	25	**124**
Co-Design Community	6	-	-	**6**	-	-	-	**-**
Interventions	1,849	-	461	**2,310**	657	-	180	**837**
Sponsorship Plus	542	-	130	**672**	521	-	125	**646**
Child Survival Programme	314	-	81	**395**	344	-	86	**430**
HIV/Aids fund	59	-	15	**74**	65	-	16	**81**
100% RESTRICTED								
Gifts for children and families	2,419	-	-	**2,419**	2,362	-	-	**2,362**
Gifts for projects	223	-	-	**223**	236	-	-	**236**
Christmas appeal	873	-	-	**873**	992	-	-	**992**
Disaster relief	728	-	-	**728**	624	-	-	**624**
MINIMUM 80% DESIGNATED								
Gift Aid	-	6,414	1,603	**8,017**	-	6,443	1,611	**8,054**
General unrestricted income	-	658	165	**823**	-	1,138	285	**1,423**
OTHER DONATIONS								
Other donations	-	-	2	**2**	-	-	-	**-**
TOTAL	**34,283**	**7,072**	**9,276**	**50,631**	**33,389**	**7,581**	**9,200**	**50,170**

Included in the above is legacy income of £1,249,000 [FY22 £640,000]

5b GRANTS RECEIVED

	FOR THE YEAR ENDED 30 JUNE 2023				FOR THE YEAR ENDED 30 JUNE 2022			
	RESTRICTED FUNDS	DESIGNATED FUNDS MOST NEEDED	GENERAL FUNDS	TOTAL FUNDS 2021	RESTRICTED FUNDS	DESIGNATED FUNDS MOST NEEDED	GENERAL FUNDS	TOTAL FUNDS 2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
FCDO grant	169	-	-	**169**	280	-	-	280
TOTAL	**169**	**-**	**-**	**169**	**280**	**-**	**-**	**280**

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6 CHARITABLE ACTIVITIES

	FOR THE YEAR ENDED 30 JUNE 2023	FOR THE YEAR ENDED 30 JUNE 2022
	£'000	£'000
Compassion Ireland service income	32	65
Field experience income/(refunds)	1	-
Other	37	6
TOTAL	70	71

7 EXPENDITURE ON RAISING FUNDS

		FOR THE YEAR ENDED 30 JUNE 2023	FOR THE YEAR ENDED 30 JUNE 2022
	NOTE	£'000	£'000
Direct costs excluding staff		2,416	1,971
Direct staff costs		2,108	1,799
Apportioned support costs	9	1,378	1,196
TOTAL		5,902	4,966

8 EXPENDITURE ON CHARITABLE ACTIVITIES

		FOR THE YEAR ENDED 30 JUNE 2023				FOR THE YEAR ENDED 30 JUNE 2022			
	NOTE	RESTRICTED FUNDS	DESIGNATED FUNDS MOST NEEDED	GENERAL FUNDS	TOTAL	RESTRICTED FUNDS	DESIGNATED FUNDS MOST NEEDED	GENERAL FUNDS	TOTAL
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Grant making	8a	33,563	3,966	691	38,220	34,016	4,552	647	39,215
Child ministry costs	8b	-	3,138	2,710	5,848	-	3,090	2,500	5,590
Compassion Ireland		-	-	72	72	-	-	89	89
Field experience	8c	-	-	58	58	-	-	51	51
TOTAL CHARITABLE EXPENDITURE		33,563	7,104	3,531	44,198	34,016	7,642	3,287	44,945

8a GRANT MAKING

		FOR THE YEAR ENDED 30 JUNE 2023				FOR THE YEAR ENDED 30 JUNE 2022			
	NOTE	RESTRICTED FUNDS	DESIGNATED FUNDS MOST NEEDED	GENERAL FUNDS	TOTAL	RESTRICTED FUNDS	DESIGNATED FUNDS MOST NEEDED	GENERAL FUNDS	TOTAL
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Child Sponsorship		27,173	-	-	27,173	27,489	-	-	27,489
Unsponsored children		97	-	-	97	99	42	-	141
Co-Design Community		6	1,567	-	1,573	-	1,282	-	1,282
Gifts for children and families		2,419	21	-	2,440	2,362	11	-	2,373
Gifts for projects		225	73	-	298	236	-	-	236
Christmas appeal		869	-	-	869	992	-	-	992
Interventions		434	439	-	873	803	2,817	-	3,620
Disaster relief		1,091	1,841	-	2,932	824	370	-	1,194
Child Survival Interventions		1,021	-	-	1,021	867	-	-	867
FCDO Child Survival Grant - Togo		110	19	-	129	152	30	-	182
HIV/Aids funds		59	-	-	59	65	-	-	65
Other funds		-	-	-	-	(1)	-	-	(1)
TOTAL CHILD GRANTS TO COMPASSION INTERNATIONAL	(i)	33,504	3,960	-	37,464	33,888	4,552	-	38,440
Compassion Norden and Germany grants		-	-	14	14	-	-	23	23
Other grants	(ii)	-	6	-	6	-	-	-	-
TOTAL GRANTS		33,504	3,966	14	37,484	33,888	4,552	23	38,463
Grant making support costs	9	-	-	677	677	-	-	624	624
FCDO Child Survival Grant - Togo	9	59	-	-	59	128	-	-	128
TOTAL COSTS OF GRANT MAKING		33,563	3,966	691	38,220	34,016	4,552	647	39,215

(i) Direct costs for child support and other child grants are grants for the benefit of children. Grants paid to Compassion International cover the grants to the projects and costs to run the field country and regional offices, as well as programme costs at Compassion International.

(ii) Other grants include grants to organisations that support Compassion's mission.

8b CHILD MINISTRY COSTS

		FOR THE YEAR ENDED 30 JUNE 2023				FOR THE YEAR ENDED 30 JUNE 2022			
	NOTE	RESTRICTED FUNDS	DESIGNATED FUNDS MOST NEEDED	GENERAL FUNDS	TOTAL	RESTRICTED FUNDS	DESIGNATED FUNDS MOST NEEDED	GENERAL FUNDS	TOTAL
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Child ministry costs	(iii)	-	3,138	-	3,138	-	3,090	-	3,090
Child ministry support costs	9	-	-	2,710	2,710	-	-	2,500	2,500
TOTAL CHILD MINISTRY COSTS		-	3,138	2,710	5,848	-	3,090	2,500	5,590

(iii) Direct costs for child ministry are costs of supporting and providing information to child sponsors. This includes child letter postage and the proportion of facilities, IT and staff time allocated to supporting the relationship between the sponsor and the child.

8c FIELD EXPERIENCE COSTS

	NOTE	FOR THE YEAR ENDED 30 JUNE 2023 RESTRICTED FUNDS £'000	DESIGNATED FUNDS MOST NEEDED £'000	GENERAL FUNDS £'000	TOTAL £'000	FOR THE YEAR ENDED 30 JUNE 2022 RESTRICTED FUNDS £'000	DESIGNATED FUNDS MOST NEEDED £'000	GENERAL FUNDS £'000	TOTAL £'000
Field experience direct costs		-	-	-	-	-	-	-	-
Field experience support costs	9	-	-	58	58	-	-	51	51
TOTAL FIELD EXPERIENCE COSTS		-	-	58	58	-	-	51	51

Sponsors normally have the opportunity to visit projects and their sponsored children on Compassion Insight Trips. No Insight Trips have taken place since COVID-19 became a worldwide pandemic.

9 ANALYSIS OF SUPPORT COSTS

FOR THE YEAR ENDED 30 JUNE 2023

	RAISING FUNDS £'000	GRANT MAKING £'000	CHILD MINISTRY £'000	FIELD EXPERIENCE £'000	ADMINISTERING FCDO GRANT £'000	TOTAL SUPPORT COSTS £'000
Facilities management	98	25	101	12	4	240
Information technology	324	164	662	12	14	1,176
Operations, including finance, governance and HR	185	80	321	7	7	600
Support salaries	758	390	1,556	25	33	2,762
Audit and accounting fees	-	7	24	-	-	31
Trustee and Board meeting costs	13	11	46	2	1	73
	1,378	**677**	**2,710**	**58**	**59**	**4,882**

FOR THE YEAR ENDED 30 JUNE 2022

	RAISING FUNDS £'000	GRANT MAKING £'000	CHILD MINISTRY £'000	FIELD EXPERIENCE £'000	ADMINISTERING FCDO GRANT £'000	TOTAL SUPPORT COSTS £'000
Facilities management	91	23	94	12	6	226
Information technology	299	169	675	14	36	1,193
Operations, including finance, governance and HR	101	64	258	(3)	10	430
Support salaries	693	350	1,398	26	72	2,539
Audit and accounting fees	-	4	18	-	1	23
Trustee and Board meeting costs	12	14	57	2	2	87
	1,196	**624**	**2,500**	**51**	**127**	**4,498**

All support costs are paid from unrestricted funds. Total support costs are allocated on the basis of staff time attributable to that cost centre.

10 STAFF COSTS

	FOR THE YEAR ENDED 30 JUNE 2023 £'000	FOR THE YEAR ENDED 30 JUNE 2022 £'000
Wages and salaries	5,151	4,436
Pensions	619	558
Social security costs	550	468
Health insurance and other HR costs	101	112
	6,421	**5,574**

	FOR THE YEAR ENDED 30 JUNE 2023 FTE	FOR THE YEAR ENDED 30 JUNE 2022 FTE
Management	5	5
Support and administration	30	30
Supporter relations	41	46
Fundraising and communications	63	56
Grant management	1	1
	140	**138**
Percentage increase in staffing levels	1%	6%

	FOR THE YEAR ENDED 30 JUNE 2023	FOR THE YEAR ENDED 30 JUNE 2022
AVERAGE NUMBER OF EMPLOYEES (HEADCOUNT)	164	161
THE NUMBER OF EMPLOYEES WHOSE REMUNERATION FOR THE PERIOD FELL WITHIN THE FOLLOWING BANDS: FIGURES REPRESENT SALARY BEFORE ANY SALARY SACRIFICE DEDUCTIONS		
£60k up to £70K	2	3
£70k up to £80K	4	2
£80k up to £90K	2	-
£90K up to £100K	-	-
£100K up to £110K	1	1

- Pension contributions of £66,000 [FY22: £47,000] were made during the year for the above higher-paid staff. This excludes employee contributions made via salary sacrifice.
- The company operates a defined contribution pension scheme on behalf of its employees. The pension charge for the year was £521,000 [FY22: £481,000], of which £52,000 [FY22: £52,000] was payable at the year end.
- The five key management personnel are listed on page 18. The total employee remuneration, including National Insurance and benefits, of key management personnel of the charity was £498,000 [FY22: £477,000].
- During the year, £15,000 [FY22: £0] of redundancy costs were incurred.

11 TRUSTEES' REMUNERATION

No trustees' renumeration was voted during the year.

Trustee expenses of £300 [FY22 £800] were paid in the year.

The total premiums paid for trustee indemnity insurance in the year was £1,000 [FY22 £1,000].

12 FIXED ASSETS

	TANGIBLE ASSETS					INTANGIBLE ASSETS
	FURNITURE, FIXTURES AND PLANTS	COMPUTER HARDWARE	MOTOR VEHICLES	FREEHOLD LAND AND BUILDINGS	TOTAL	COMPUTER SOFTWARE
	£'000	£'000	£'000	£'000	£'000	£'000
COST						
Balance at 1 July 2022	392	297	269	3,656	4,614	1,243
Additions for the year	6	129	45	-	180	-
Disposals for the year	-	(49)	(41)	-	(90)	-
BALANCE AT 30 JUNE 2023	**398**	**377**	**273**	**3,656**	**4,704**	**1,243**
DEPRECIATION/AMORTISATION						
Balance at 1 July 2022	178	293	19	212	702	1,243
Disposals for the year	-	(50)	(10)	-	(60)	-
Depreciation for the year	41	8	54	52	155	-
BALANCE AT 30 JUNE 2023	**219**	**251**	**63**	**264**	**797**	**1,243**
NET BOOK VALUE						
At 1 July 2022	214	4	250	3,444	3,912	-
At 30 June 2023	179	126	210	3,392	3,907	-

13 DEBTORS

	AS AT 30 JUNE 2023	AS AT 30 JUNE 2022
	£'000	£'000
Compassion Ireland	**19**	82
Gift Aid reclaimable	**915**	115
Accrued legacy income	**1,159**	-
Other debtors and grants receivable	**88**	128
Prepayments	**429**	347
	2,610	**672**

14 CURRENT ASSET INVESTMENTS

	AS AT 30 JUNE 2023	AS AT 30 JUNE 2022
	£'000	£'000
Investment Property	**90**	85
Cash held on 95 day deposit	**3,000**	4,000
	3,090	**4,085**

15 CREDITORS

		AS AT 30 JUNE 2023	AS AT 30 JUNE 2022
	NOTE	£'000	£'000
Compassion International		**2,674**	2,864
Deferred income	16	**344**	286
Trade creditors		**634**	602
Accruals		**793**	1,194
Other taxation and social security		**129**	127
Pension contributions outstanding		**53**	52
		4,627	**5,125**

16 DEFERRED INCOME

	AS AT 30 JUNE 2023	AS AT 30 JUNE 2022
	£'000	£'000
DEFERRED INCOME BROUGHT FORWARD	**286**	242
Deferred income released in the year	**(193)**	(193)
Income deferred in the year	**251**	237
DEFERRED INCOME CARRIED FORWARD	**344**	**286**

17 RESTRICTED FUNDS

	BALANCE AT 1 JULY 22	RESTRICTED INCOME	TRANSFER	RESTRICTED EXPENDITURE	BALANCE AT 30 JUNE 23
	£'000	£'000	£'000	£'000	£'000
Child Sponsorship	-	27,173	-	(27,173)	-
Unsponsored children	-	97	-	(97)	-
Co-Design Community	-	6	-	(6)	-
Gifts for children and families	-	2,419	-	(2,419)	-
Gifts for projects	2	223	-	(225)	-
Christmas appeal	-	873	-	(869)	4
Interventions	96	1,849	-	(434)	1,511
Hillsong Water from Partners	23	-	-	-	23
Disaster relief	-	728	363	(1,091)	-
Child Survival Programme	528	314	179	(1,021)	-
FCDO Child Survival Grant - Togo	-	169	-	(169)	-
HIV/Aids funds	-	59	-	(59)	-
Sponsorship Plus	-	542	(542)	-	-
TOTAL	**649**	**34,452**	**-**	**(33,563)**	**1,538**

	BALANCE AT 1 JULY 21	RESTRICTED INCOME	TRANSFER	RESTRICTED EXPENDITURE	BALANCE AT 30 JUNE 22
	£'000	£'000	£'000	£'000	£'000
Child Sponsorship	-	27,489	-	(27,489)	-
Unsponsored children	-	99	-	(99)	-
Co-Design Community	-	-	-	-	-
Gifts for children and families	-	2,362	-	(2,362)	-
Gifts for projects	2	236	-	(236)	2
Christmas appeal	-	992	-	(992)	-
Interventions	102	634	163	(803)	96
Hillsong Water from Partners	-	23	-	-	23
Disaster relief	200	624	-	(824)	-
Child Survival Programme	693	344	358	(867)	528
FDCO Child Survival Grant - Togo	-	280	-	(280)	-
HIV/Aids fund	-	65	-	(65)	-
Sponsorship Plus	(1)	521	(521)	1	-
TOTAL	**996**	**33,669**	**-**	**(34,016)**	**649**

PURPOSE OF RESTRICTED FUNDS

CHILD SUPPORT
To relieve poverty amongst sponsored children.

UNSPONSORED CHILDREN
To support children registered in the programme but awaiting sponsorship.

GIFTS FOR CHILDREN AND FAMILIES
To bless the child or their family with additional gifts.

GIFTS FOR PROJECTS
To bless a church project with additional resources.

CHRISTMAS APPEAL
To provide a present and a celebration for each child.

INTERVENTIONS
To meet vital needs outside of what sponsorship covers.

DISASTER RELIEF
Critical relief for sponsored children and their projects, including reconstruction.

CHILD SURVIVAL INTERVENTIONS
Pre- and post-natal care for mothers and babies.

HIV AND AIDS FUND
To support sponsored children and their families affected by HIV and AIDS.

SPONSORSHIP PLUS
Additional support for beneficiaries. To address critical needs of children around the world, including Child Survival Interventions, medical emergencies, disaster relief and preventative health. During the year, £542,000 was transferred to other appropriate restricted funds. £363,000 was transferred to disaster relief and £179,000 to child survival.

FCDO CHILD SURVIVAL GRANT - TOGO
Pre- and post-natal care for mothers and babies and UK costs of administering the grant.

CO-DESIGN COMMUNITY
To support whole projects in relieving poverty amongst children registered in the programme.

18 RELATED PARTY TRANSACTIONS

During the year, there were no related party transactions.

19 LEASING COMMITMENTS

At 30 June 2023, the total of the charity's future minimum lease payments under non-cancellable operating leases was:

	AS AT 30 JUNE 2023			AS AT 30 JUNE 2022		
	CARS	OTHER	TOTAL	CARS	OTHER	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000
Less than one year	22	7	**29**	27	13	**40**
Two to five years	8	17	**25**	26	25	**51**
Greater than five years	-	-	**-**	-	2	**2**
	30	**24**	**54**	**53**	**40**	**93**

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

This analysis shows the fund balances at year-end split into tangible fixed assets and net current assets. The analysis also shows the restricted and unrestricted funds in these categories.

	AS AT 30 JUNE 2023			AS AT 30 JUNE 2022		
	FIXED ASSETS	NET CURRENT ASSETS	TOTAL 2021	FIXED ASSETS	NET CURRENT ASSETS	TOTAL 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Restricted funds	-	1,538	**1,538**	-	649	**649**
Designated funds most needed	-	-	**-**	-	32	**32**
General funds	3,907	3,928	**7,835**	3,913	3,743	**7,656**
	3,907	**5,466**	**9,373**	**3,913**	**4,424**	**8,337**

REFERENCES AND ADMINISTRATIVE DETAILS

REGISTERED CHARITY NO. 1077216 (ENGLAND AND WALES)
SC045059 (SCOTLAND) COMPANY NUMBER 03719092

COMPANY SECRETARY
Amy Hiorns

REGISTERED AND PRINCIPAL OFFICE
Compassion House, Barley Way, Fleet, GU51 2UT

AUDITORS
Magna House, 18-32 London Road, Staines-upon-Thames, TW18 4BP

SOLICITORS
Barlow Robbins LLP, The Oriel, Sydenham Road, Guildford, Surrey, GU1 3SR

BANKERS
Barclays Bank PLC
Tunbridge Wells Group

facebook.com/compassionuk

instagram.com/compassionuk

youtube.com/compassionuk

ALVIN, AGED 5, TANZANIA

COMPASSION UK CHRISTIAN CHILD DEVELOPMENT

England & Wales - Charity number 1077216

Accounts

Annual Report

AND FINANCIAL STATEMENTS 2021/2022

LAURI, AGED 13,
DOMINICAN REPUBLIC

Releasing children from poverty
Compassion®
in Jesus' name

COMPASSION UK CHRISTIAN CHILD DEVELOPMENT
Registered charity in England and Wales (1077216) and Scotland (SC045059).
Registered in England and Wales company number 03719092.

Highlights

2021/2022



120,241

CHILDREN SUPPORTED



410,421

LETTERS WRITTEN



£50.5m

TOTAL INCOME



88.9%

OF INCOME WAS USED FOR CHARITABLE ACTIVITIES

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SARAH, AGED 12, BRAZIL

HOW CHILD SPONSORSHIP CHANGES LIVES

"On several occasions I asked myself 'Does God care about me?' Because poverty was teaching me that God didn't care, that I wasn't important, that I was not valuable. And it was in the middle of that, that God used Compassion to show me His love and His care for me.

"When I was seven, I was shining shoes in the street; when I was 14, I was fixing and assembling computers; when I was 23, I was already an IT manager.

"We don't know how God is going to use the child you are sponsoring today, but we do know for sure we are changing one life, we are impacting a community, we are bringing glory to the Lord."

TONY BELTRAN,
Compassion International National Director, Dominican Republic

A MESSAGE FROM JUSTIN DOWDS
CEO COMPASSION UK & IRELAND



At Compassion UK, we are fully committed to releasing children from poverty in partnership with local churches. It's a mission we plan for carefully each year as we seek to put innovative and effective strategies in place so we can serve as many children as possible. Everything we do centres around beginning with children and following the biblical call to care for the poor.

We entered into financial year 2021-2022, hopeful that the height of the COVID-19 restrictions in the UK were behind us. We made extensive plans to re-establish activities amongst our UK team that would find sponsors for many more children living in poverty.

Sadly, the outbreak of the Omicron COVID-19 variant proved a significant disruption to this. The restrictions that were needed to protect lives here in the UK presented us with unforeseen challenges. We had to postpone church partnership launches and celebration services, and we had to cancel many of our planned events. Changes to advertising algorithms also impacted our ability to use digital advertising to reach those most likely to support our work. These factors resulted in fewer new child sponsorships than we had hoped. At the end of the 2021-2022, 106,406 children were sponsored through Compassion UK's one-to-one Child Development Sponsorship Programme, which was a reduction of 228 in the year.

Yet, I take great comfort from the fact that at Compassion UK, we do not need to navigate these circumstances alone. God is our ever-present help, and as Hebrews 10:23 says, "Let us hold unswervingly to the hope we profess, for He who promised is faithful."

Reflecting on 2021-22, I can see this faithfulness in action. I celebrate the fact we finished the year serving 120,336 children and young people across all our programmes which is a record high for Compassion UK. Project sponsorship and Child Survival saw a growth of more than 2,256 children in the year.

I give thanks that we faced the year's challenges and opportunities in partnership with our amazing sponsors and volunteers. In this financial year alone, our administrative volunteers gifted an incredible 2,400 hours whilst our 125 volunteer speakers found sponsors for 687 children.

Despite increasing personal challenges with the cost of living and rising inflation, our supporters have also been remarkable. Child sponsorship cancellations continued to be historically low, with 95% continuing to support their sponsored child, and our total donations before Gift Aid grew by £460,000.

We never take our supporters' generosity and faithfulness for granted, and we are so thankful that they continue to stand alongside the most vulnerable children. We saw this in response to our Haiti Disaster Appeal, launched as a result of the devastating earthquake that struck on 14 August 2021, affecting 15,654 Compassion-supported children. We were able to provide £838,000 in emergency relief in the immediate aftermath of the quake and £425,000 to rebuild infrastructure to modern para-seismic standards in the longer term.

I am also deeply grateful for the continued innovation and adaptability of the Compassion UK team as they delivered impactful initiatives, including a partnership with Premier Radio that saw 410 children sponsored, improvements to the Compassion UK App, where we celebrated exceeding £1 million in donations since launch and the continued roll-out of our Digital Transformation plan with 10.5% of our supporters now receiving a fully digital or hybrid supporter experience.

In many ways, the uncertainty we faced during the year was rightfully put into perspective by the challenges my colleagues around the world encountered. As the year progressed, our frontline church partners began to share reports of food insecurity with increasing frequency and severity. In immediate response, we were able to provide food assistance to 59,000 displaced people in Ethiopia alongside hygiene supplies and trauma counselling. As the scale of the global need became more evident, we prepared to launch a Global Food Crisis Appeal at the start of financial year 2022-23, an initiative that will be central to our plans in the months ahead.

As we look forward to the next financial year, whilst there will undoubtedly be challenges here in the UK, we know that the children and families we serve are likely to face increasing hardship. We remain committed to our mission of releasing children from poverty, in Jesus' name. This has never been more pertinent, with millions predicted to fall back into extreme poverty in the continued aftermath of the pandemic and one in 10 people globally now going to bed hungry each night.

I hope and pray that you will be encouraged by the contents of this report and the difference you're making to children living in poverty. Thank you for your faithfulness. Thank you for beginning with a child.

Objectives & ACTIVITIES

ESTEFANY WITH HER SON AXEL, EL SALVADOR
Estefany is a young mother raising her son with support from Compassion's Child Survival Interventions.

In Togo, children receive their first bible

OUR MISSION:

RELEASING CHILDREN FROM POVERTY IN JESUS' NAME

Our charitable purpose as defined by our articles of association:

THE RELIEF OF POVERTY, SUFFERING OR DISTRESS AMONGST CHILDREN.

THE EDUCATION AND TRAINING OF CHILDREN.

TO ADVANCE THE CHRISTIAN FAITH IN ALL OR ANY PART OF THE WORLD.

THE DEVELOPMENT OF CHILDREN TO SOCIAL AND SPIRITUAL MATURITY.

PUBLIC BENEFIT

Our trustees review our activities each year to ensure we follow the Charity Commission's general guidance on public benefit and their specific guidance on the prevention or relief of poverty and the advancement of religion as defined by our articles of association.

TIVANI, AGED 11, INDONESIA
Tivani prayed for many years for her first Bible

WHO WE ARE

CHRIST CENTRED

Jesus is at the heart of everything we do. Our programmes show God's love to children born into extreme poverty. Whilst Christ's love motivates us, we help children from all backgrounds, regardless of belief.

CHILD FOCUSED

We intentionally focus on caring for children, the most vulnerable to the devastating effects of poverty. We support children in every area of their lives, tackling the root causes of poverty that hold them back.

CHURCH BASED

We believe the local church is best placed to care for their community. We run our programmes in partnership with 8,037 local churches who know their communities inside out.

SEE COMPASSION IN ACTION

AT A GLOBAL LEVEL

COMPASSION UK

IS PART OF THE WIDER COMPASSION FAMILY



MADE UP OF

14

GLOBAL FUNDRAISING PARTNERS

WE WORK IN

27

COUNTRIES

WITH

8,037

FRONT-LINE CHURCHES

WHO ALTOGETHER SUPPORT

2,286,224

CHILDREN

HOW WE SERVE CHILDREN

OUR 3 KEY PROGRAMMES

FORTUNE, AGED 6, TOGO
Fortune is overjoyed to receive letters from her sponsor.

CHILD SURVIVAL
0-1 YEARS
Community workers from local churches work closely with pregnant women and babies to provide access to life-saving medical support, vaccinations, health screenings, hygiene supplies, nutritional supplements, education and skills training that will help secure a healthy future for their families.

SPONSORSHIP
1-22 YEARS
Our Child Sponsorship Programme connects children born into poverty with loving sponsors. Children and sponsors build relationships by writing regular letters to each other about their lives and sharing photographs.

INTERVENTIONS
Interventions help us save lives and address development issues that sponsorship funds alone cannot, like providing safe drinking water, tackling malnutrition, supplying emergency relief after a disaster and much more.

Hanna was in desperate need after her husband left and job opportunities dried up. Compassion's local church partner stepped in, providing vocational training and food for her and baby son Mikias.

CHILD SURVIVAL

We reach at-risk children even before they've been born. Through access to pre and post-natal care, nutritional supplies, vaccinations and critical support and training for mums, we give children the opportunity to not only survive but thrive.

When they reach the age of one, children are automatically enrolled into the Compassion Sponsorship Programme where the love and care they have received in the all-important early days can continue as they grow.



CHILD SPONSORSHIP

We believe that every child should be known, loved and protected; that they are precious and unique.

Our Child Sponsorship Programme is tailored to meet the needs of each individual child. We want each one to have the opportunity to escape poverty and find hope for a better future.

Our holistic model supports the development of a child's mind, body, spirit and heart through the provision of:

SCHOOL RESOURCES & UNIFORMS
to help defeat illiteracy and provide critical skills

MEDICAL CHECK-UPS
to fight back against disease and keep children healthy

HEALTHY MEALS
and additional nutritional support where needed

CHRIST-CENTRED GUIDANCE
through the local church to overcome fear and hopelessness

VOCATIONAL TRAINING
to equip them for the future

RECREATIONAL ACTIVITIES
to improve self-confidence, social and emotional skills

A ONE-TO-ONE RELATIONSHIP WITH THEIR ONLY SPONSOR
with letters translated into their native language to bring hope and positive change

NAPADA AND NATHIPORN, THAILAND
Both girls want to become nurses when they are older to help children.

CHILD SPONSORSHIP
HOW DOES IT WORK?

We connect one child born into the vulnerability of poverty with one sponsor.



DOES IT WORK?

A three-year independent study of Compassion's holistic child development programme, led by Dr Bruce Wydick of the University of San Francisco and published in the peer-reviewed Journal of Political Economy in 2013, concluded that the programme has a large and statistically significant impact on children's educational, employment, and leadership outcomes: compassionuk.org/itworks

WHAT DO SPONSORS RECEIVE?

- Photos and information updates
- Child letters to keep them connected
- Insights into the country where their sponsored child lives
- Opportunities to hear about Compassion's work

During their time in a Compassion project, a child receives, on average, **4,000 HOURS** of face-to-face time with Christian project staff members.*

Children attend their Compassion project for at least **43 WEEKS** of the year. This allows us to carefully assess their development over time as they grow.*

Through their local church, children receive a **BIBLE** or age-appropriate portion of scripture and opportunities to hear the **GOSPEL.**

SCARLET, AGED 6, ECUADOR
"When I grow up, I want to be a doctor because I want to save lives and I want to see all the children always healthy and happy."

*During the COVID-19 pandemic, we have adjusted our strategy for caring for children in extreme poverty, resulting in some changes to the delivery of our programmes. Read more on page 17.

INTERVENTIONS

Compassion Interventions equip us to take further action to help children and the communities in which they live.

From the provision of safe drinking water, initiatives to tackle malnutrition or the distribution of emergency relief after a disaster, Compassion Interventions save lives.

ABEL, AGED 13, ETHIOPIA
Diagnosed with stomach cancer at just nine-years-old, Abel's family were unable to afford the three-year treatment he needed. Compassion were able to support the family through this difficult time and offer full funding for Abel's treatment and he is now cancer free.



DISRUPTION TO COMPASSION'S ACTIVITIES

Compassion works with the local church because it's best placed to support communities. Our local church partners have established decades of trust and relationships meaning they can serve children, youth and families as needs arise.

During this past year, Compassion UK's local church partners have faithfully continued to serve their communities. Natural disasters, worsening economic pressure, conflicts and instability, as well as the continued disruption of the pandemic, have all caused churches to adapt further. In these circumstances, our church partners have been released to redeploy sponsorship funds to meet the critical needs of children, young people, and their families by prioritising urgent unmet needs.



MOTHER, CATHERINE AND HER DAUGHTER, STELLA. Drought is badly affecting communities in Kenya. More and more families like Catherine's have become food insecure. But the local church has stepped in to help, distributing emergency food packages and teaching families to employ sustainable food production processes.

LOCAL DISRUPTION

CONFLICT

Ethiopia: In November 2020 unrest increased in the northern part of Ethiopia. During 2021 the situation intensified into conflict and Compassion was unable to sustain contact with 12 of our frontline church partners in Tigray, and 25 in eastern Amhara. Sadly, this meant normal programme activities at Compassion's local church partners were suspended. Since then, there's been a ceasefire in the region and projects in eastern Amhara have largely been able to resume. For those where activities have resumed, funds are being used to supply essentials such as food and hygiene kits, and give children and families access to trauma counselling. However, as of June 2022, we were unable to resume contact with the 12 church partners in the Tigray region.

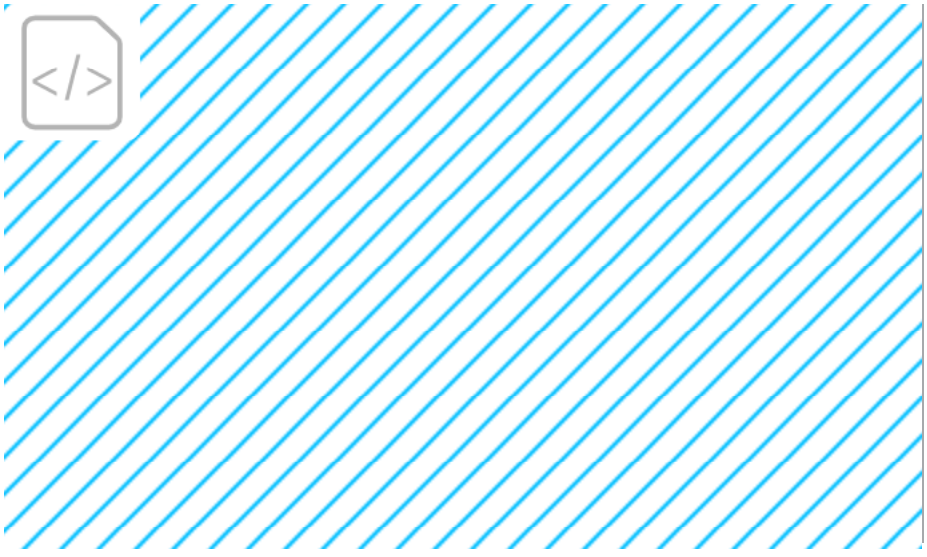
Burkina Faso: As a result of conflict in Burkina Faso in the Sourou and Tapoa regions, 33 of our church partners have either temporarily paused meetings at Compassion projects or are providing limited activities to keep children and youth safe. Instead, they're delivering critical programming and support through home visits and distance learning. Urgent interventions are still going ahead focused on child protection, food security, health care and hygiene support.

Letters from children to sponsors are paused and letters from sponsors to children are delayed. However, gifts are still transmissible.

SORAYA, AGED 6, HAITI
After losing her home in the 2021 earthquake, Soraya prayed for food, and God answered her prayer through an emergency box and shelter at her local church.

NATURAL DISASTERS

Haiti – Earthquake: In August 2021, a devastating earthquake struck the south of the country, resulting in structural damage and loss of life. Sadly, 46 of Compassion's church partners and more than 150,000 Compassion-supported children were impacted. Compassion UK launched an appeal in response to the need. Since then, meeting places have been constructed, temporary houses have been built, and children and families have received vital food and hygiene support and trauma counselling.



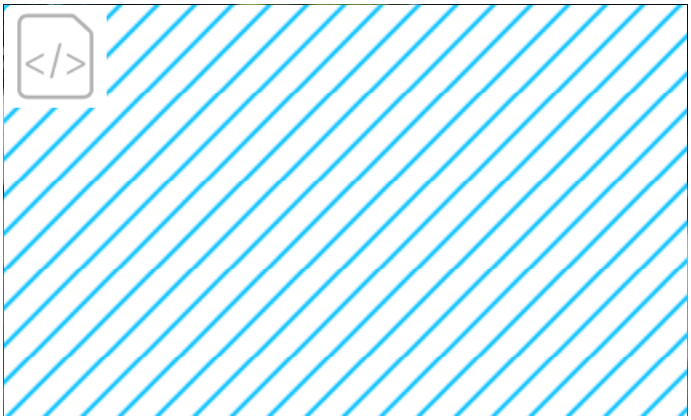
GLOBAL DISRUPTIONS

COVID-19

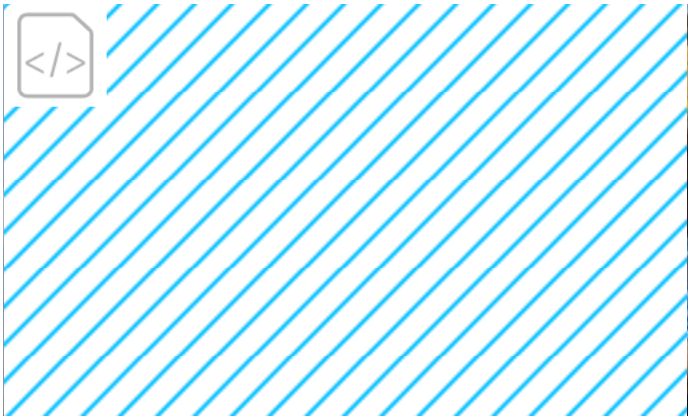
The countries where we serve are less equipped for testing and caring for COVID-19 patients, with reduced access to preventative measures such as vaccinations. As a result, we've seen greater vulnerability to the economic fallout, food scarcity, civil unrest and child protection issues resulting from quarantines and lockdowns. While the UK has lifted restrictions, some of the world is experiencing either new outbreaks of COVID-19 or very slow ongoing progress.

As a result, some projects are running as usual, but others are still working remotely or holding small group activities at the local church projects. As of June 2022, 46% of projects were operating as normal with children attending the local church project (additional hygiene procedures and social distancing are in place). However, 25% provide small group meetings led by a tutor or volunteer, 12% of local church partners were conducting home visits only and 17% are providing distance learning and support via radio, video or phone calls. Church partners continue to supply urgent hygiene and food supplies to families in need as they are safely able.

CLICK FOR MORE INFORMATION ABOUT FOOD SECURITY



Extreme weather and drought have collided with the impact of the pandemic, conflicts, and rising inflation—creating worsening global food crisis.



FOOD SECURITY

According to the World Food Programme, the number of people facing severe food insecurity has doubled—from 135 million to 276 million—in two years.

Severe food insecurity means a person has not eaten for a day or more. If action isn't taken, it can cause malnutrition, threatening children's development and their lives.

The impact of the conflict between Russia and Ukraine, two of the three largest food exporters in the world, is worsening the crisis, increasing the cost of living globally. Families living in poverty are the most vulnerable to cost-of-living increases and food scarcity. The response is two-fold: meeting urgent nutrition needs now while working towards sustainable solutions to help stop hunger. Over the past two years of the pandemic, local church partners have been providing food support, including delivering more than 23 million food packs to hungry children and their families. But now the crisis is worsening and the number of people who need help are increasing. The cost of providing this urgent support exceeds what sponsorship giving can provide.



STELLA, KENYA

Eight-year-old Stella and her family are living with the disastrous effects of the prolonged drought impacting Kenya and the rest of the Horn of Africa - the worst drought in 40 years.

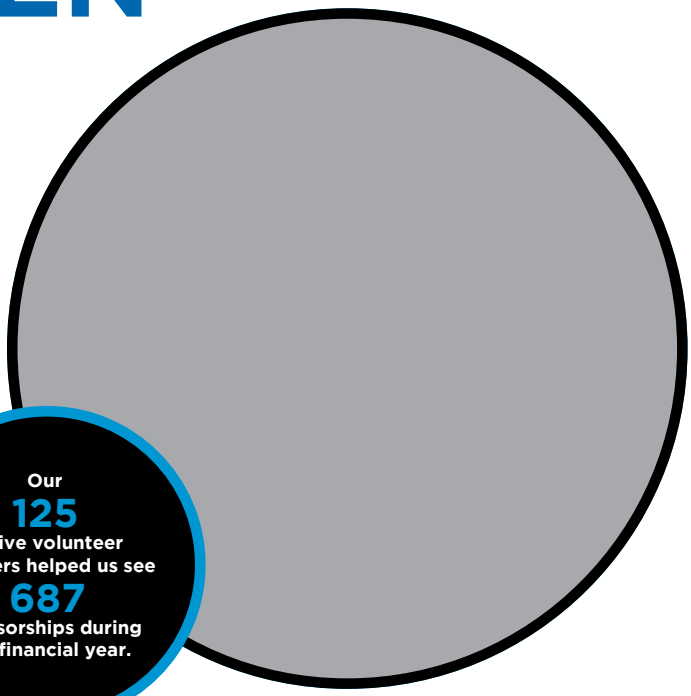
Stella's mum Catherine explains, "Rain used to be predictable. It rained consistently, and I knew when to plant and harvest." Yet fertile land is now lacking water to help crops grow. More than four million people are food insecure, and 3.3 million can't get enough water to drink. High food prices are also impacting households' purchasing power.

The Compassion project where Stella is registered is helping families with food parcels and education on sustainable food production methods. "The food we received from the church came as a relief; I got a call telling me of the assistance," reflects Catherine. "I had been considering leaving my elderly mother with the children, so I could go to look for work elsewhere."

Compassion's local church partners are serving families like Catherine's, listening to needs and responding with help.

SPEAKING UP FOR CHILDREN

"The best part of volunteering with Compassion is the friendship and fellowship of working with a group of people who have a common passion, knowing that we are working to promote something so close to God's heart."



Our **125** active volunteer speakers helped us see **687** sponsorships during the financial year.



Our 27 Administrative Volunteers gifted approximately **2,400 HOURS** during the financial year.

76 volunteers helped serve Compassion at live events during the financial year.

Our Challenge Event Volunteers raised **£45,000** during the financial year.

“HE TOOK A LITTLE CHILD WHOM HE PLACED AMONG THEM. TAKING THE CHILD IN HIS ARMS, HE SAID TO THEM, “WHOEVER WELCOMES ONE OF THESE LITTLE CHILDREN IN MY NAME WELCOMES ME; AND WHOEVER WELCOMES ME DOES NOT WELCOME ME BUT THE ONE WHO SENT ME.”

MARK 9:36-37

**MIGUEL,
AGED 5,
COLOMBIA**

Strategic REPORT

"FOR I KNOW THE PLANS I HAVE FOR YOU," DECLARES THE LORD, "PLANS TO PROSPER YOU AND NOT TO HARM YOU, PLANS TO GIVE YOU HOPE AND A FUTURE."

JEREMIAH 29:11

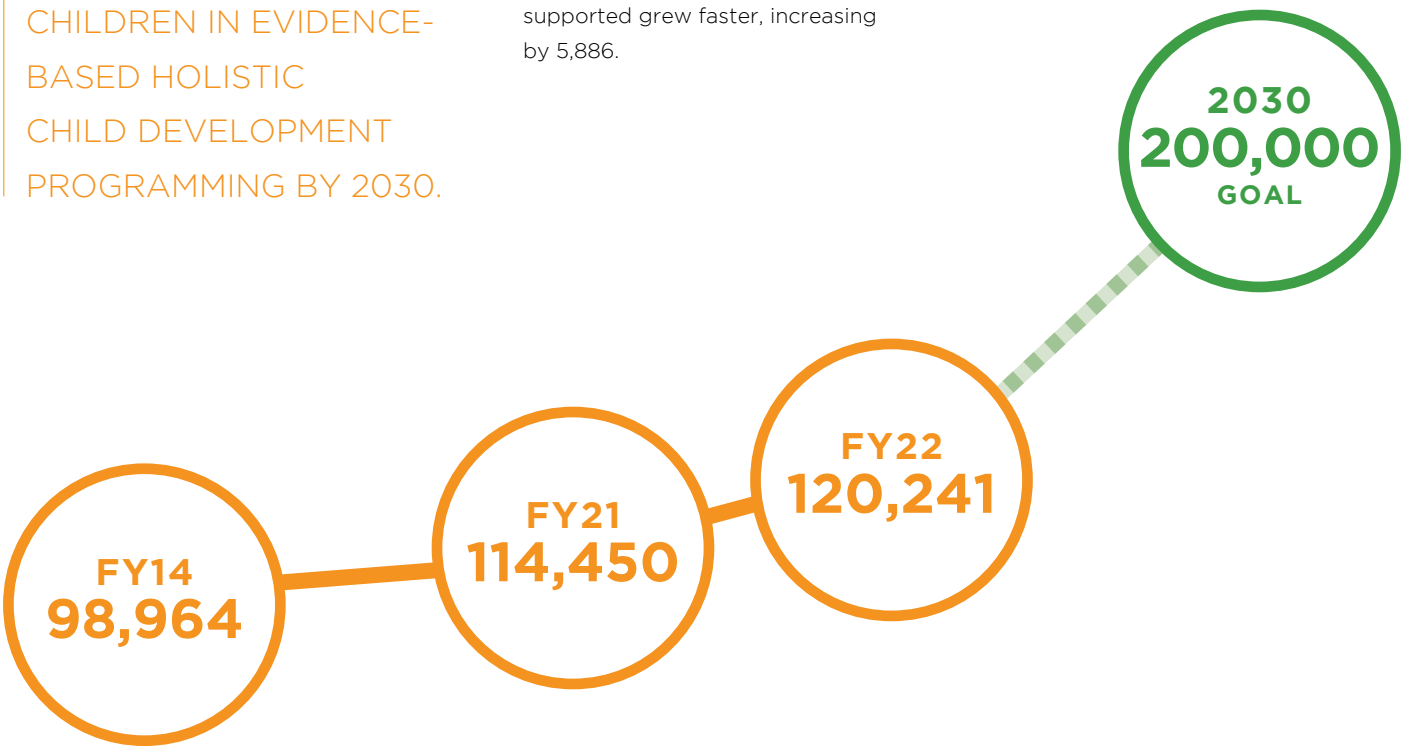
SOPHIA, AGED 6, BRAZIL
Inspired by Sara, a Compassion photojournalist, Sophia dreams of taking photos and writing stories when she grows up.

1 JULY 2021 – 30 JUNE 2030
STRATEGIC GOALS

ACCELERATE THE RATE OF MINISTRY GROWTH TO ENABLE THE SUPPORT OF MORE THAN 200,000 CHILDREN IN EVIDENCE-BASED HOLISTIC CHILD DEVELOPMENT PROGRAMMING BY 2030.

In the previous eight years, Compassion has increased the number of children benefiting from our support by 15,486.

In FY22, the number of children supported grew faster, increasing by 5,886.

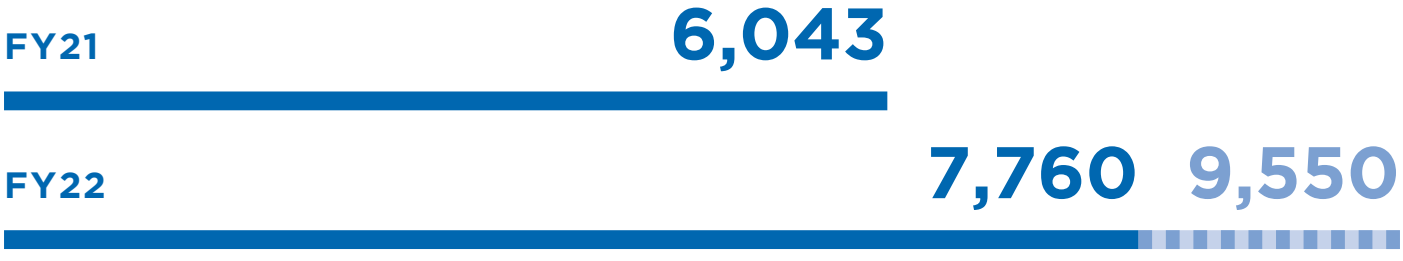


IN PURSUIT OF OUR FY30 GOAL, WE AIMED TO ACHIEVE THE FOLLOWING IN FY22...

INCREASE THE RATE OF FINDING NEW SPONSORS FOR CHILDREN

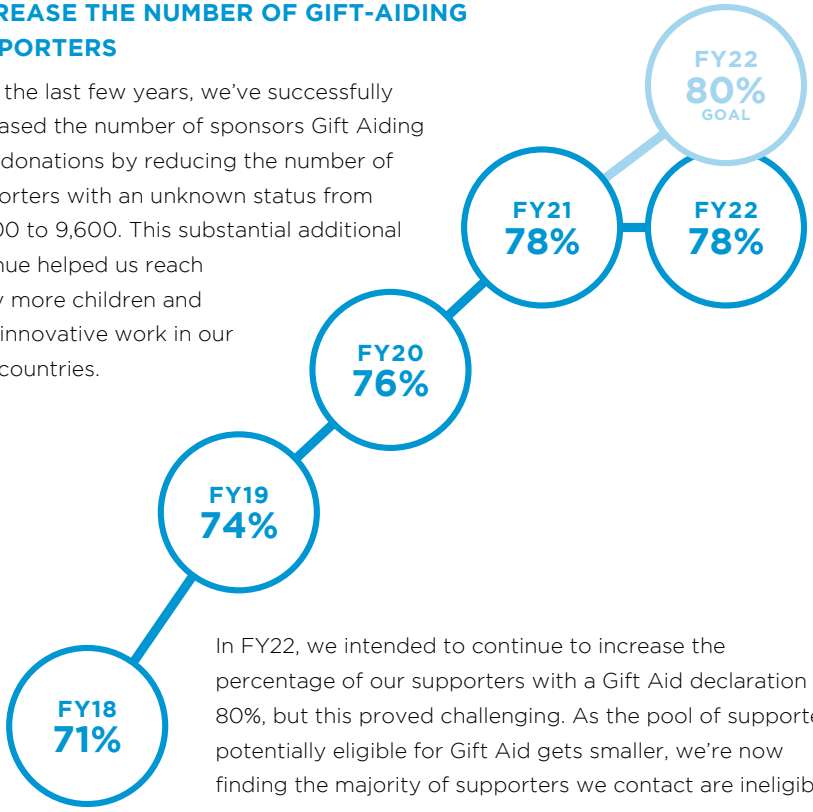
Our supporters had been extremely faithful throughout the pandemic, but the ability to recruit new sponsors was severely curtailed due to the reduced level of church and event opportunities. We prioritised sponsorship growth in FY22 and aimed to see 9,550 new sponsorships. When this goal was set we expected no further COVID restrictions.

Progress was as expected for the first six months, but the outbreak of the Omicron variant reduced opportunities between January and April. In May and June, we saw a significant increase in new sponsorships



INCREASE THE NUMBER OF GIFT-AIDING SUPPORTERS

Over the last few years, we've successfully increased the number of sponsors Gift Aiding their donations by reducing the number of supporters with an unknown status from 23,500 to 9,600. This substantial additional revenue helped us reach many more children and pilot innovative work in our field countries.



In FY22, we intended to continue to increase the percentage of our supporters with a Gift Aid declaration to 80%, but this proved challenging. As the pool of supporters potentially eligible for Gift Aid gets smaller, we're now finding the majority of supporters we contact are ineligible.

EMBED INNOVATION AS A CORE COMPETENCY

We want each of our team members to be able to answer the question, "What would need to be true for this team to make its biggest possible contribution to the journey to 2030?" and obtain the tools to take a holistic view of innovation.

Most of our team received full or partial training in FY22, and those that haven't done so will receive full training in early FY23.



HELP SPONSORS EMPOWER ANOTHER LIFE

Our sponsors faithfully sponsor children in poverty for multiple years, and it's a significant milestone in a young adult's life when they no longer need Compassion's support.

We innovated and ran trials in several areas to try and improve the rate at which sponsors choose to empower another life by sponsoring a subsequent child after graduation. Having learned from those results, we did see an improvement in the last few months of FY22; however, the backdrop of increased economic uncertainty was a common reason for supporters to not want to sponsor again at this time.



REDUCE THE NUMBER OF SPONSORS WHO CANCEL THEIR SPONSORSHIP WITHIN THE FIRST YEAR

Data analysis shows a supporter is most likely to cancel their sponsorship in the first year. We aimed to ensure supporters had the best possible introduction to their sponsored child and increased the sophistication of our welcome journeys.



HIGHLY ENGAGED TEAM MEMBERS

We want our people to thrive in a rapidly changing environment and remain highly engaged, knowing this will lead to better outcomes for the children we serve, higher job satisfaction and, ultimately, staff retention.



IN PURSUIT OF OUR FY30 GOAL, WE AIM TO ACHIEVE THE FOLLOWING IN FY23

ACCELERATE OUR IMPACT

As part of the goal to reach 200,000 children by FY30, in FY23 we aim to increase the number of children supported in effective programming, most of which will come from sponsorship growth.



123,700
CHILDREN SUPPORTED

EMPOWERING OUR PEOPLE TO THRIVE

We want to see a continued increase in staff engagement this year. We value our staff and want to see them thrive and enjoy their work. Highly engaged team members achieve better outcomes for the children we serve and are less likely to leave in what is expected to be a challenging recruiting market.



2%
INCREASE IN ENGAGEMENT METRICS

BUILD CAPABILITIES ENABLING FUTURE GROWTH

During the year, we'll build a strategy and insights capability and an operational innovation lab tasked with ideating and developing products that'll enable the ministry to serve more children in effective programming.



2023
CREATION OF NEW INNOVATION LAB

KNOWING, LOVING AND CONNECTING SUPPORTERS

We want to increase the number of highly engaged supporters because they pray for their sponsored children more often, write more encouraging messages and are less likely to cancel their sponsorship.



5%
INCREASE IN HIGHLY ENGAGED SPONSORS

COMPASSION UK'S IMPACT THIS FINANCIAL YEAR

OUR SPONSORSHIP PROGRAMME

We connect one vulnerable child born into extreme poverty with one sponsor. Through sponsorship, every child is provided with holistic care in each area of their lives - mind, body, heart and spirit.



7,760
CHILDREN WERE NEWLY SPONSORED

6,519
YOUNG ADULTS AND CHILDREN LEFT THE PROGRAMME





95%
OF SPONSORS CONTINUED THEIR CHILD SPONSORSHIP

AT THE YEAR END THERE WERE
106,311
CHILDREN AND YOUNG ADULTS REGISTERED IN OUR SPONSORSHIP PROGRAMME



PROJECT SPONSORSHIPS

We're piloting a new approach using Gift Aid funds to support whole projects in Rwanda, Uganda and Kenya and are monitoring outcomes.



5,760
CHILDREN WERE BEING SUPPORTED IN THIS PROGRAMME THIS YEAR, AN INCREASE OF
2,256

OUR CHILD SURVIVAL INTERVENTIONS

We reach at-risk children even before they've been born. Through the provision of pre and post-natal care, nutrition, vaccinations, plus critical support and training for mums, we aim to give children the best start in life.



4,996
MOTHERS AND BABIES WERE REGISTERED IN CHILD SURVIVAL INTERVENTIONS BY THE YEAR END, AN INCREASE OF
2,732

OUR UNSPONSORED CHILD PROGRAMME

We ensure children benefit from quality holistic care while we try to find them a sponsor.

AT THE YEAR END THERE WERE
5,672
CHILDREN BEING LOOKED AFTER WHILE WAITING FOR A SPONSOR



COMPASSION UK

CHILDREN SUPPORTED:

120,241

IN 27 COUNTRIES WHERE WE WORK

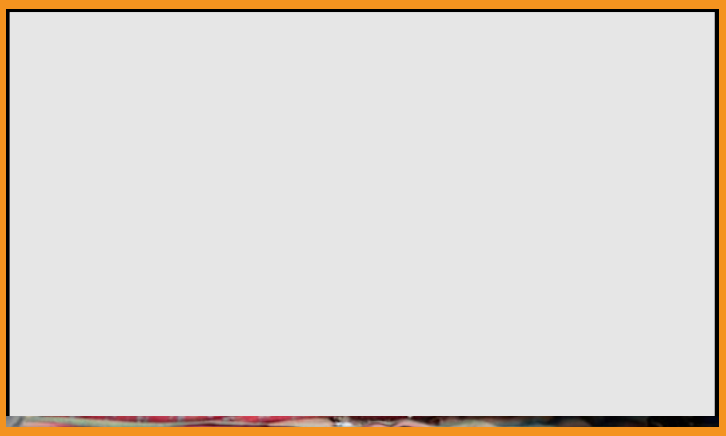


Bangladesh	1,897
Bolivia	3,046
Brazil	2,832
Burkina Faso	4,843
Colombia	3,368
Dominican Republic	2,357
Ecuador	2,799
El Salvador	2,360
Ethiopia	8,167
Ghana	9,402
Guatemala	1,884
Haiti	6,235
Honduras	1,668
Indonesia	5,392

Kenya	12,898
Malawi*	-
Mexico	1,913
Myanmar*	-
Nicaragua	2,165
Peru	3,072
Philippines	3,741
Rwanda	9,397
Sri Lanka	1,454
Tanzania	5,522
Thailand	2,324
Togo	5,711
Uganda	15,794



*Compassion has now begun to partner with local churches in Malawi and Myanmar. Currently these projects support mothers and babies enrolled in Child Survival Interventions.



410,421
ENCOURAGING MESSAGES OF SUPPORT BETWEEN CHILDREN AND THEIR SPONSORS

WE PROVIDED EVERY CHILD IN OUR PROJECTS WITH A CHRISTMAS GIFT AND **65,785** ADDITIONAL GIFTS TO CHILDREN, THEIR FAMILIES OR THEIR PROJECTS

SET UP AN AGRICULTURAL BUSINESS SCHOOL

BUILT **115** TOILETS

8,544
PARENTS PARTICIPATED IN WORKSHOPS TO PREVENT CHILD MARRIAGE

PROVIDED FOOD ASSISTANCE, TO **59,000** DISPLACED PEOPLE IN ETHIOPIA ALONGSIDE HYGIENE SUPPLIES AND TRAUMA COUNSELLING

PROVIDED **8,120** HOUSEHOLDS IN KENYA WITH EMERGENCY FOOD RELIEF

£838,000
ON EMERGENCY RELIEF IN THE IMMEDIATE AFTERMATH OF THE EARTHQUAKE IN HAITI AND **£425,000** REBUILDING INFRASTRUCTURE TO MODERN PARA-SEISMIC STANDARDS

DISASTER FUND

We granted **£280,000** into a disaster fund to be used to provide emergency relief in 2023.

FINANCIAL REVIEW

INCOME

Total Income:
£50.55m

99.2%
OF INCOME THROUGH DONATIONS AND GIFT AID

DONATIONS BEFORE GIFT AID GREW BY
£0.46m

DONATIONS TO THE MOST NEEDED FUND INCREASED BY £0.42M TO
£1.42m

GIFT AID RECEIVED REDUCED BY
£0.47m

Gift Aid on donations made in the year was higher than in 2020/21; however, last year, significant back claims were made due to raising the Gift Aid sign-up rate to 78%, which was not replicated in FY22.

DONATIONS FOR GIFTS FELL BY
£0.34m

FY21 represented an all-time high for gift giving, but our supporters still gave £3.59m of giving in this area, considerably more than in a typical year.

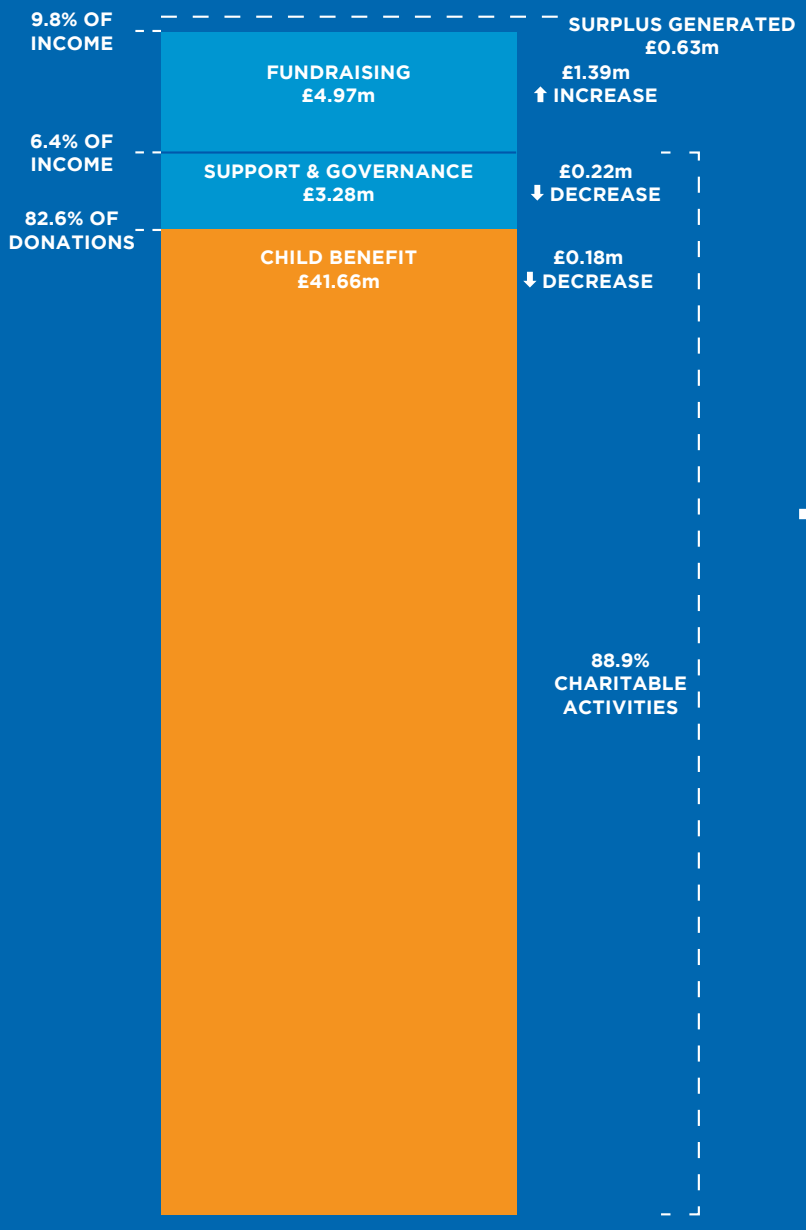
FINANCIAL REVIEW

INCOME & EXPENDITURE

INCOME
£50.54m



EXPENDITURE
£49.91m



During the financial year 82.6% of each donation was used to benefit children, an increase from 82.3% the previous year.

We slightly reduced the amount we spent on support and governance by £0.22m. This is primarily a reduction in technology costs as we did not repeat the same level of investment in the digital journey for supporters and automation as in the previous year.

The amount spent on fundraising increased by £1.39m compared to Financial Year 2021 due to fewer pandemic restrictions. However, this figure is still £0.61m below the level of spending in FY2020 as pandemic restrictions continued to reduce fundraising options.

The savings in fundraising resulted in a surplus which will be utilised over the next three financial years.

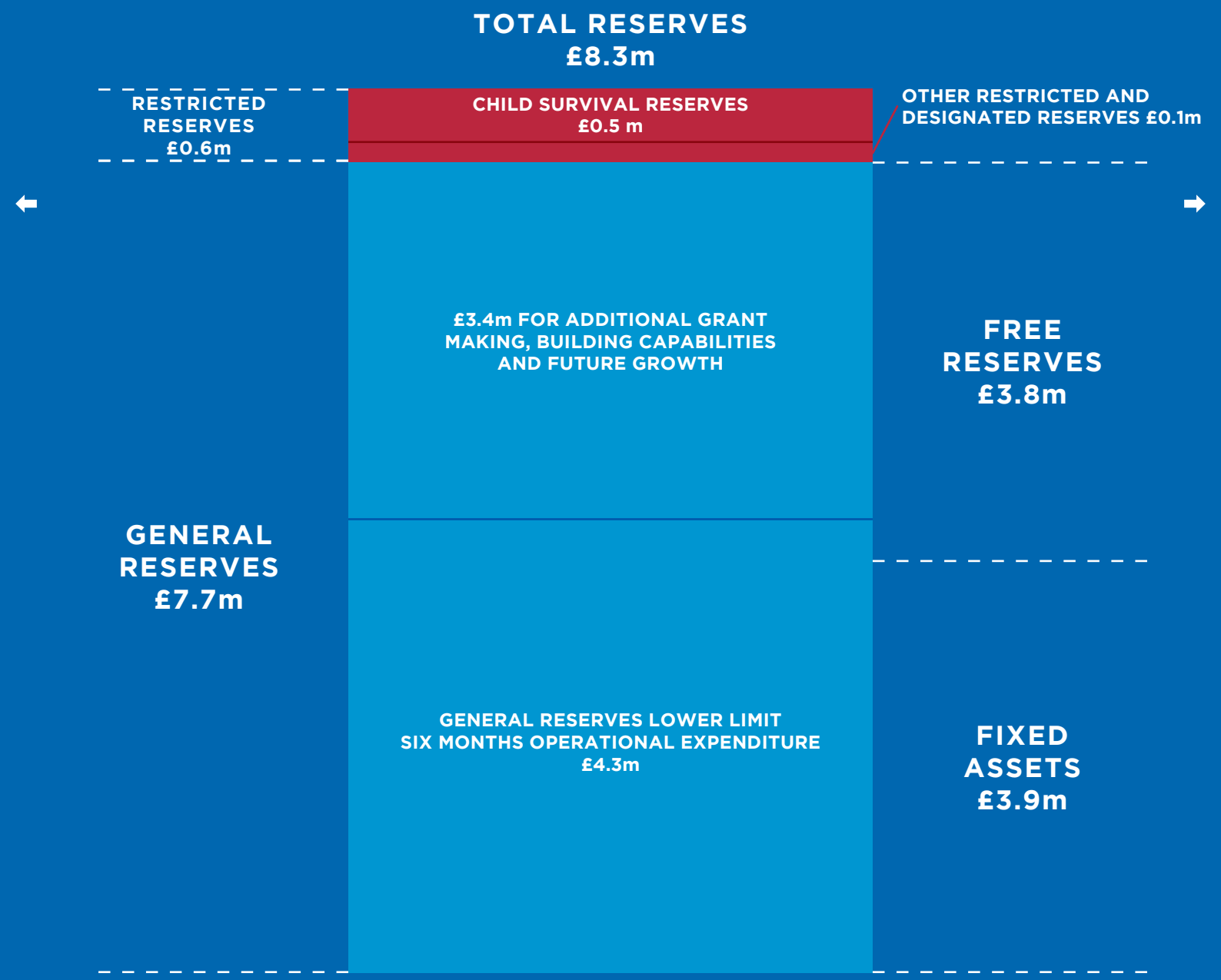
FINANCIAL REVIEW

RESERVES

The pandemic limited the number of cost-effective opportunities to meet with potential new supporters and introduce them to the work of Compassion. As a result, fundraising expenditure has been much lower than planned for the last three financial years, as have the number of sponsored children. The reduction in planned spending has resulted in excess general reserves.

The trustees and senior leadership team are acutely aware that there has been a sharp rise in extreme poverty in many communities due to factors such as COVID-19, inflation, food shortages and climate change. There is an urgent need to provide additional support to children and youth who are already in the sponsorship programme, while at the same time, there is an urgent need to enrol children who are not receiving the benefits of being in the programme.

At the end of the financial year, Compassion UK held £7.7m of general reserves, and the trustee's policy is to only hold six months of operational expenditure (£4.3m) in reserve to protect the charity from unexpected income drops or unanticipated expenses. The remaining £3.4m of general reserves are excess reserves that will be utilised to provide immediate and long-term relief from emerging crises and increase the number of children supported by Compassion.



PRINCIPAL RISKS AND UNCERTAINTIES

Compassion UK is a global partner of Compassion International, which has a separate risk management and global audit function focusing on Compassion's large-scale risk profile internationally. Compassion entities work together in the identification and co-assessment of Compassion's global risks. This includes the risks all the way from Compassion UK to the child and their project. The UK trustees are responsible for ensuring that risks are managed and controlled appropriately.

SUMMARY OF MAJOR RISKS AND COMPASSION'S RISK MITIGATION

THE NEED IS INCREASING, BUT THE DIFFICULT ECONOMIC CLIMATE MEANS THE RISK OF REDUCED OR INSUFFICIENT INCOME

Decades of development progress are being lost. Extreme weather and drought, the impact of the pandemic, conflict and rising inflation mean more children are falling into extreme poverty. The current volatility in the economic climate and continued uncertainty due to the cost-of-living crisis, impact of the COVID-19 pandemic, currency fluctuations and slow return to church attendance have made our future financial planning to meet the need challenging.

Generosity of our supporters

We are grateful and blessed to have supporters who continue to be inspired even in these difficult times to give generously to prevent even more children from being drawn into extreme poverty.

Food Crisis Appeal

In response to the global food crisis, we have an ongoing appeal to provide emergency food packages to families vulnerable to food insecurity and provide long-term food security through the distribution of seeds, fertiliser, livestock, and training on building and maintaining home gardens and small-scale farms.

Increasing our reach via investment in church partnerships and volunteers

We have expanded our volunteer speaker network and continue to find ways to partner with churches both physically and digitally.

Hedging

Careful planning means we can increase currency stability via hedging.

Diversifying revenue streams

We continue to receive grant funding from the Foreign, Commonwealth & Development Office (FCDO) towards Child Survival Interventions in Togo. We also have other plans to diversify income further in the future.

CONFLICT AND UNSTABLE POLITICAL ENVIRONMENTS

Compassion's full range of programming operations in some countries where our national offices are based were either closed or suspended because of conflict or unstable political environments.

Robust business continuity and disaster recovery planning

Compassion International monitors persistent and emerging issues in the national offices and has in place contingency measures for adapting activities, as far as possible, to meet the needs of the participants and ensure the safety and security of the workforce.

ACTS OF GOVERNMENT AND REGULATORY BODIES

The stringent and complex government and public health regulations in response to the COVID-19 pandemic continue to significantly impact the achievement of strategic goals and objectives, including full or partial closure or suspension of office premises or centre-based programme activities in countries where Compassion operates and disruption of partnerships for Christian events and church services.

Implementing temporary adaptations

We have made temporary adaptations to our programme delivery in response to the health regulations, incorporating findings from our risk assessments. This includes delivering a home-based programming model and direct cash transfers for caregivers of participants.

In the UK, we are piloting a flexible working policy and have ensured all Compassion UK staff are equipped with the necessary resources that enable homeworking at short notice.

We also successfully delivered Virtual Vision Trips, which have enabled our supporters to stay connected with the realities of global poverty in times of crises and the difference the Compassion ministry is making.

RECRUITMENT CHALLENGES

The current labour market has been impacted by the 'Great Resignation', where employees are considering resigning or changing professions. Job vacancies are also at a record high, with high staff turnover seen nationally. Weekly earnings in the UK have also grown. This has led to difficulty in recruiting for some roles.

Annual Pay Reviews and Remuneration benchmarking

We remain committed to attracting, recruiting, and retaining the right calibre of highly skilled staff. We promote the distinct benefits of working for the Compassion ministry.

Our trustees conduct an annual review of the Pay Policy and pay scales.

We also regularly and recently conducted a salary benchmarking exercise for all roles to ensure these are matched to market salary trends.

ADVERSE NEGATIVE PUBLICITY

Any risk of potential reputational damage as a result of incidents or crises which have impacted Compassion or our partners is carefully managed. Our response and resolution to any issues are overseen by our trustees.

Investment in media monitoring

We invest in media monitoring services to be aware of any emerging stories relating to Compassion, our partners, or our area of ministry as soon as possible. In addition, we have a clear and robust crisis communication process in place, which includes collaboration with Compassion International and our UK-based PR agency, to manage any potential or emerging communications issues.

SAFEGUARDING INCIDENTS

Protecting children is the heart of what we do. Implementing child protection measures across all our church partners continued to be a challenge during the COVID-19 pandemic, impacting both incident reporting and the ability to run full investigations due to lockdowns. Additionally, there was a global rise in the threat of online sexual exploitation of children.

Child protection remains Compassion's key priority

Modifications have been made to programme implementation, including providing families and caregivers with relevant resources for child protection, enabling incident reporting to be done remotely, and monitoring and assessing local and national restrictions. For more on Safeguarding, see page 35.

FINANCIAL INCIDENTS

Our programmes operate in areas of extreme poverty within countries where there may be political and/or social unrest and an increased risk of corruption and fraud.

Working with the right partners

We have a rigorous recruitment and selection process for choosing partners we work with. Our partnership agreements set out responsibilities and expectations, including alignments with Compassion global policies and financial control frameworks, reporting and audit systems.

Supervising and auditing

Our main national offices in each country supervise local churches, overseeing financial, operational and regulatory compliance. Suitable and qualified finance staff are employed to review expenditure in detail which helps to ensure that money is being spent correctly, alongside an independent internal audit department that reviews both local churches and the national offices.

Training and Awareness

Compassion's global audit team lead the development and delivery of fraud awareness training, improving fraud detection capabilities.

Financial Incident Management

There is a robust investigation process in the event of an actual or suspected financial incident. During the investigation, partnerships with churches may be suspended and funds withheld.

A serious incident process is also in place for reporting to appropriate local law enforcement agencies and UK regulators. Based on the outcome of the investigation, a church partnership may be terminated, and the perpetrators dismissed from their role. Compassion will take reasonable steps to recover stolen or intentionally misused funds.

CYBERSECURITY ATTACKS

In an increasingly connected world, cyberattacks are sadly becoming more sophisticated.

We continued to strengthen technical and organisation safeguards

Compassion UK has successfully maintained the National Cyber Security Centre's Cyber Essentials Plus Certification, demonstrating that sufficient measures are in place to guard against the most common cyber threats.

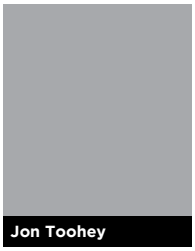
We continue to implement security enhancements to proactively identify cyber risks, and commit to conducting robust security reviews of suppliers who are engaged as data processors.

Structure, GOVERNANCE & MANAGEMENT

INGRIDD, AGED 17, INDONESIA
Compassion's church partner established a computer lab at Ingridd's project. As a result, she's now the first member of her family to become computer literate.

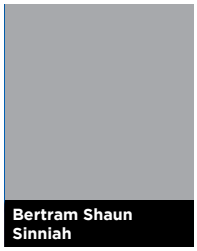
OUR VOLUNTEER TRUSTEES

The trustees are the directors of Compassion UK for the purposes of company law and the trustees of Compassion UK for the purposes of charity law. All trustees are also members.



Jon Toohey

Chair of the Board of Trustees
Jon is a qualified accountant, treasurer and member of the Institute of Directors with more than 30 years experience in senior finance, systems and change management roles with global multinational companies in various industries.



Bertram Shaun Sinniah

Shaun is the Chief Operating Officer and on the board of one of the world's leading professional service firms in the areas of risk, safety and people. He has a wealth of experience in multiple industries.



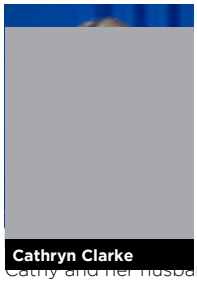
Professor Anna Maslin, PhD

Deputy Safeguarding Trustee Lead
Anna has been working globally focusing on health, human rights and international development for over 40 years, representing the UK at numerous international fora.



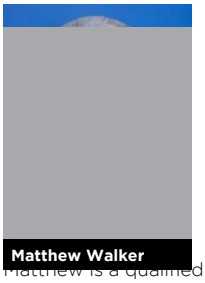
Hedy Hodson

Chair of the Finance and Audit Committee
Hedy is a chartered accountant who has had various roles working with the public sector, charities, churches and community projects with a particular focus on families and young people.



Cathryn Clarke

Cathy and her husband are involved in the global leadership of Hillsong Church, a thriving church in the heart of cities around the world.



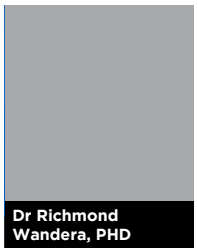
Matthew Walker

Matthew is a qualified accountant and Chartered Member of the Institute of Housing. Passionate about improving quality of life for those he serves, he is Chief Executive of Leeds Federated Housing Association and Chair of PlaceShapers and Life Church Bradford.



Delfin Posada

Safeguarding Trustee Lead
A former pastor, Delfin is an internationally experienced solicitor and founding member of his law firm.



Dr Richmond Wandera, PHD

Richmond is the senior pastor of New Life Baptist Church in Kampala, Uganda, the President and Founder of Pastors Discipleship Network and a Compassion Graduate.



Kenneth Morgan

(Retired as a Trustee on 29 October 2021)
Ken is a chartered accountant with more than 40 years experience supporting the growth and development of a variety of organisations.

LEADERSHIP TEAM

Authority to conduct the day-to-day operations of the charity is delegated to the Chief Executive Officer, who is responsible for carrying out the strategies and policies set by the trustees. The trustees' responsibilities are set out on page 39.



Justin Dowds

Chief Executive Officer



Mark Preston

Senior Director of Partnerships



Amy Hiorns

Chief Operating Officer and Company Secretary



Stephen Blow

Finance Director



Nick Harris

Senior Director of Marketing and Engagement

HOW CHILD SPONSORSHIP CHANGED MY LIFE

Richmond Wandera, Trustee

"As a child, poverty began to speak to me. I felt I was nothing, that I didn't matter - nobody cared to know my name."

A church nearby heard about his family's need and registered Richmond into their Compassion project. Richmond soon received news that he had been sponsored by Heather.

"I cannot find the words to describe the joy that filled our home when we got the news," Richmond explains with a smile.

RICHMOND WANDERA, UGANDA

SAFEGUARDING

The protection of anyone who comes into contact with Compassion UK or our work is at the core of our ministry, and we are committed to doing all we can to keep children and adults safe, ensuring that they are known, loved and protected.

We have a zero-tolerance approach to safeguarding issues involving children. Compassion UK's Child Protection implementation strategy is embedded within three key pillars: Prevention, Reporting and Response.

PREVENTION

Everyone at Compassion UK is responsible for creating and maintaining an environment that neither tolerates nor condones the maltreatment of children or adults. Activities and efforts to promote safeguarding primarily focus on stringent preventative interventions which reduce risk factors. These include:

Governance and Leadership – our Board of Trustees and Executive Team take their safeguarding responsibilities very seriously, continually considering how to strengthen this area of our work. During the last year, we have appointed a full-time Head of Safeguarding role for Compassion UK, created a Board level Safeguarding Committee and increased the resources we devote to our safeguarding work. The Committee includes both the Designated and Deputy Designated Safeguarding Trustees, which were already in place prior to forming the Safeguarding Committee and Executive level representation. Safeguarding is a standing agenda item at each Board meeting; regular Executive Team meetings and updates are provided to every trustee regularly. In addition, a child protection policy covers all countries where Compassion works.

Safer Recruitment – safeguarding is embedded in the recruitment processes for staff, trustees and volunteers, including background and DBS checking and high standards of behaviour being set. This year Compassion has joined the Misconduct Disclosure Scheme. Further measures have also been embedded within our recruitment process, including mandatory interview questions for all new roles and updated Referencing, Disciplinary and Recruitment & Selection policies.

Training and Development – all staff and trustees receive child protection training as part of their initial onboarding. Refresher training was provided to all staff in February 2022 and the Board in March 2022. Further training has been developed for Volunteers and contractors in high-risk roles.

Communications and Content – Compassion's Marketing and Communications Team have global standards to align with our Child Protection policies. The child's interest is always our primary concern, which we would never compromise when capturing content. We were pleased to launch an awareness and fundraising campaign called 'Stop the Weddings', which focused on preventing child marriage.

Field Experience – with continued disruption to travel due to COVID-19, no in-person trips have taken place during the past year. Our safeguarding controls have been adapted so they are fit for purpose in virtual and online trips.

REPORTING

Everyone at Compassion UK is responsible for reporting any potential incident, abuse or concern they witness or are made aware of. This includes a responsibility to report any breach of Compassion's 'Statement of Commitment to Child Protection and Code of Conduct', which all staff and trustees sign. Compassion UK has an appropriate and accessible process for reporting safeguarding concerns available to all. Training was provided to all staff at Compassion UK on the reporting protocols and procedures.

Compassion UK has a 'Whistleblowing Policy and Procedure' intended to encourage and enable anyone to raise serious concerns without fear of victimisation, subsequent discrimination or disadvantage. Whistleblowing concerns can be submitted anonymously through our website. This includes the option to report directly to the Whistleblowing trustee.

RESPONSE

Compassion's greatest responsibility is to protect children from harm. If a child is harmed, the priority is to restore the child's safety and provide an opportunity for them to experience healing.

Compassion follows all relevant national laws relating to reporting child maltreatment and criminal behaviour.

Compassion UK takes our responsibility seriously to report all serious incidents to the Charity Commission, Foreign, Commonwealth & Development Office (FCDO) and any other relevant authority.

MODERN SLAVERY

Compassion UK is committed to upholding high standards of accountability and transparency to ensure slavery and human trafficking is not taking place within our organisation or supply chains. We believe that everyone who comes into contact with the organisation has the right to be protected from all forms of harm, abuse, neglect and exploitation.

We publish information about the actions we have taken during the year on our website.

FUNDRAISING STATEMENT

Registered with FUNDRAISING REGULATOR

WE BELIEVE THAT EXTREME POVERTY CAN BE ERADICATED IN OUR LIFETIME. THIS AMBITIOUS AIM CANNOT BE ACHIEVED WITHOUT IGNITING MEMBERS OF THE PUBLIC TO ACTION. WE ARE BLESSED AND THANKFUL FOR THE LONG-TERM COMMITMENT AND GENEROSITY OF OUR SUPPORTERS AS WE WORK TOGETHER TO EMPOWER CHILDREN AND THEIR FAMILIES TO BREAK FREE FROM EXTREME POVERTY.

Compassion UK has maintained its membership with the Fundraising Regulator and complied with the Code of Fundraising Practice and the Fundraising Promise. Additionally, members of relevant departments are also registered with the Institute of Fundraising.

Compassion UK's fundraising activities are conducted mainly by staff and volunteers. This primarily involves working in partnership with a wide range of stakeholders, including UK churches and Christian events and festivals. During fundraising events, a 'Compassion Moment' is featured, which showcases our work and inspires people across the country to help a child step out of poverty through sponsorship.

Additionally, Compassion has public-facing touchpoints, such as our website, and the Compassion App, which promotes opportunities to sponsor a child, donate to our work and support our emergency appeals and other fundraising campaigns.

Compassion has a number of supporters who undertake fundraising activities either on our behalf or through their own initiative. We have also taken reasonable steps to monitor and review fundraising activities undertaken by third-party organisations acting on our behalf, including applying robust due diligence procedures; reviewing agreements and contractual clauses in relation to compliance with the Code of Fundraising Practice; and performance reviews.

Compassion UK does not engage professional fundraisers but has agreements with Commercial Participators that are long-standing corporate partners of the ministry.

Compassion UK's Supporter Charter is available on our website and outlines our procedures for handling complaints. In the 2021-2022 financial year, we received 25 fundraising complaints. All complaints were treated seriously, and prompt actions were taken to resolve these satisfactorily. The trustees and senior leadership continue to review complaints as a standing agenda item at their meetings. This includes reviewing lessons learnt, which are used to inform future training needs or procedure reviews.

When conducting our direct marketing activities, we remain committed to:

- offering choice and control to personalise permissions and preferences to hear about our work;
- ensuring we have robust data protection and privacy policies;
- treating those who come into contact with our work respectfully and fairly.

We monitor opt-in numbers and communication channels that our supporters prefer. We are also signed up to the Fundraising Preference Service (FPS) and ensure any opt-out requests are actioned promptly. There were no FPS requests received in the last year.

Compassion UK's Policy on Supporters in Vulnerable Circumstances is publicly available on our website. We ensure everyone involved in fundraising activities is equipped to identify, interact and respond to our supporters who are in potentially vulnerable circumstances. We will always be mindful to respond appropriately to the particular needs of a supporter and ensure we have effective policies and procedures in place to treat them respectfully and fairly.

OUR ENVIRONMENT

Young inventor, Winner, from Togo has been encouraged through Compassion's programme to pursue her passion for engineering. Here, she stands with her latest creation; a solar-powered wheelchair.

People living in poverty are disproportionally harmed by climate issues. We want to do all we can to be part of the solution.

Through assessing our carbon footprint, we monitor, reduce and offset our emissions to maintain our carbon neutral status.

WE CONTINUE TO:

- Harness energy-efficient systems, such as solar panels and other technologies, in our offices.
- Offer paper-free experiences for supporters. We have identified this could save half a million printed documents each year.
- Reduce single-use plastic, for instance, using a biodegradable starch-based protective cover for our magazine.

DURING THE LAST YEAR:

- Emissions have decreased by 93% compared to the base year, however, this was predominately due to being unable to travel by air. Typically, more than 80% of our carbon emissions are linked to air travel.
- Where possible, all cars are now fully electric.
- Offset carbon emissions for this year.

GOING FORWARD, WE ARE COMMITTED TO:

- Further evaluating the effectiveness of virtual tours. As well as cutting our emissions, there are both money and time-saving alternatives to in-person project visits and have so far been a great success.
- Limiting the amount of air travel and selecting airlines based on sustainability credentials for necessary flights.
- Transferring the office from a 93% renewable tariff to a 100% renewable tariff.
- Offsetting the carbon emissions caused during future periods.

Our assessment this year showed that we had produced 71 tonnes CO_2. We have offset this through a tree-planting project in Kenya and the Amazon. This has enabled emission reductions and restored the water catchment and ecosystem. The project also seeks to empower women, who make up more than 50% of the team, and provide livelihoods for local people.

As we move forward, we are committed to reducing our environmental impact to ensure we do all we can to protect people and the planet.

GOVERNING DOCUMENT

Compassion UK Christian Child Development is a company limited by guarantee and governed by its Articles of Association dated 24 February 1999. It is registered as a charity with the Charity Commission in England and Wales and the Office of the Scottish Charity Regulator. Members must accept and believe in the Compassion UK Statement of Faith. Each member agrees to contribute £10 in the event of the charity being wound up.

APPOINTMENT OF VOLUNTEER TRUSTEES

Every trustee volunteers their services to the charity and must be a member. The chair of the Board of trustees is elected by the trustees from one of their number.

New trustees are appointed by the existing trustees according to the charity's governing document, ensuring that the Board has the appropriate balance of skills, experience, independence and knowledge to enable them to carry out their respective duties and responsibilities.

TRUSTEE INDUCTION AND TRAINING

Trustees are given training and documentation to brief them on their legal obligations under charity and company law, the content of the Articles of Association, the decision-making process, the business plan and the recent financial performance of the charity. Every three to four years, all trustees visit one of the countries where Compassion works to see the programmes first-hand.

ORGANISATION

The Board of trustees must have at least three members and is responsible for setting strategies and policies and ensuring that these are implemented.

All trustees give their time freely, and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in notes 11 and 18 to the accounts.

Trustees are required to disclose all relevant interests and, in accordance with the trustees' policy, withdraw from decisions where a conflict of interest arises.

The trustees conduct an annual Board review to evaluate performance against the principles set out in the Charity Governance Code. The evaluation report is used to identify and explain areas of strength and areas for development. We have established procedures that ensure actions to implement the Code's principles are reviewed routinely at each Board meeting to ensure ongoing accountability.

There is a Finance and Audit Sub-Committee that exists to provide support and advice to the Board in its governance role in respect of finance and audit issues. The committee is appointed by the Board with no less than four members, with a minimum of two members of the committee being members of the Board and the balance, Compassion UK staff. The committee meets at least three times a year.

The Board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. The Board maintains sound risk management and internal control systems.

Approximately every three years the Board will use market data to conduct job evaluations for all roles and benchmark all staff salaries to ensure that salaries are fair and in line with other organisations in the charity sector. In the intervening periods, percentage increases are evaluated annually based on Compassion's performance, and external factors and these are agreed at Board level.

A new Safeguarding Committee has been formed to provide regular Board oversight to develop Compassion UK's safeguarding culture, handling and reviewing all reported safeguarding incidents across Compassion and its Frontline Church Partners. The committee is chaired by the Designated Safeguarding Trustee. It consists of no less than two members with a minimum of two Board members, the Head of Safeguarding and Chief Operating Officer.

Trustee Indemnity Insurance is provided by Compassion UK for trustees.

CONNECTED CHARITIES

COMPASSION INTERNATIONAL

We are a member of the Compassion Global Partner Alliance, consisting of organisations throughout the world with a mutual commitment of purpose, structure and methodology. In order to be as effective as possible, the delivery of help to children in beneficiary countries is coordinated and implemented centrally through Compassion International.

Fundraising partner countries transfer funds raised to Compassion International which are then used to support programmes in the 27 frontline field countries. Grants paid to Compassion International cover the grants to the frontline church partners and running the field country and regional offices, as well as programme costs at Compassion International as this is the most efficient way to distribute funds.

COMPASSION IRELAND

We have an agreement to provide support services to Compassion Ireland for a fixed fee of 12% of all donations received. This excludes gifts and appeals, of which 100% is sent to Compassion International.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The trustees (who are also the directors of Compassion UK Christian Child Development for the purposes of company law), are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the income and expenditure of the charity for that period.

In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities Statement Of Recommended Practice (SORP);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO THE AUDITORS

Each of the persons who is a trustee at the date of approval of this report confirms:

- That in so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- Each trustee has taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

AUDITOR

Menzies LLP are deemed to be re-appointed under section 487 [2] of the Companies Act 2006.

STRATEGIC REPORT

The company has chosen, in accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, to set out within the Strategic Report the Company's Strategic Report Information required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review and details of the principal risks and uncertainties.

The Trustees' Report (incorporating the Strategic Report) was approved by the Board of Trustees (which is also the Board of Directors) on 28 October 2022 and signed on its behalf by Jon Toohey (Chair).

On behalf of the Board



Jon Toohey (Chair)
Dated 28 October 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMPASSION UK CHRISTIAN CHILD DEVELOPMENT

OPINION

We have audited the financial statements of Compassion UK Christian Child Development (the 'charitable company') for the year ended 30 June 2022, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2021, and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the trustees' responsibilities statement set out on page 39, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, is detailed below:

- The charitable company is subject to laws and regulations that directly affect the financial statements, including financial reporting legislation. We determined that the following laws and regulations were most significant, including the Companies Act 2006, Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Safeguarding Vulnerable Groups Act 2006, GDPR and the UK Code of Fundraising Practice. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.
- We understood how the charitable company is complying with those legal and regulatory frameworks by making inquiries to management, those responsible for legal and compliance procedures and the company secretary. We corroborated our inquiries through our review of board minutes.
- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. The assessment did not identify any issues in this area.
- We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur. As a result of the above procedures, we considered that the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the posting of fraudulent journal entries, fictitious employees and timing of revenue recognition.

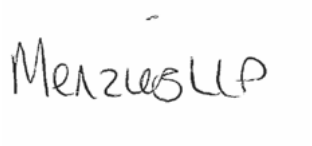
- Audit procedures performed by the engagement team included:
  - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
  - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
  - Challenging assumptions and judgments made by management in its significant accounting estimates;
  - Identifying and testing journal entries, in particular, any journal entries posted with unusual account combinations;
  - Carrying out checks to establish the validity of employees, and
  - Reviewing and verifying the basis on which income is recognised in the accounts

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx.

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Janice Matthews FCA, Senior Statutory Auditor

For and on behalf of Menzies LLP, Statutory Auditor

Chartered Accountants
Statutory Auditor
Centrum House
36 Station Road
Egham
Surrey
TW20 9LF

Dated:
28 October 2022

Menzies LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

GIMENA, AGED 13, HONDURAS
While Gimena comes from a rural community where education levels are low, she has excelled in mathematics. She discovered a love for maths at her Compassion project, and now competes nationally.

Financial STATEMENTS

STATEMENT OF FINANCIAL ACTIVITY

(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

		FOR THE YEAR ENDED 30 JUNE 2022				FOR THE YEAR ENDED 30 JUNE 2021			
	NOTE	RESTRICTED FUNDS £'000	DESIGNATED FUNDS MOST NEEDED £'000	GENERAL FUNDS £'000	TOTAL FUNDS 2021 £'000	RESTRICTED FUNDS £'000	DESIGNATED FUNDS MOST NEEDED £'000	GENERAL FUNDS £'000	TOTAL FUNDS 2020 £'000
INCOME FROM									
Donations & Legacies	5a	33,389	7,581	9,200	**50,170**	33,410	7,619	9,152	**50,181**
Grants	5b	280	-	-	**280**	322	-	280	**602**
TOTAL VOLUNTARY INCOME		**33,669**	**7,581**	**9,200**	**50,450**	**33,732**	**7,619**	**9,432**	**50,783**
Charitable activities	6	-	-	71	**71**	-	-	61	**61**
Investments:									
Interest		-	-	24	**24**	-	-	1	**1**
Other Income:									
Profit/(Loss) on disposal of assets		-	-	-	**-**	-	-	(9)	**(9)**
TOTAL INCOME		**33,669**	**7,581**	**9,295**	**50,545**	**33,732**	**7,619**	**9,485**	**50,836**
EXPENDITURE ON									
Raising Funds	7	-	-	4,966	**4,966**	-	-	3,576	**3,576**
Charitable activities	8	34,016	7,642	3,287	**44,945**	33,874	7,968	3,483	**45,325**
TOTAL EXPENDITURE		**34,016**	**7,642**	**8,253**	**49,911**	**33,874**	**7,968**	**7,059**	**48,901**
NET MOVEMENT IN FUNDS		**(347)**	**(61)**	**1,042**	**634**	**(142)**	**(349)**	**2,426**	**1,935**
RECONCILIATION OF FUNDS									
Total Funds Brought Forward		996	93	6,614	**7,703**	1,138	442	4,188	**5,768**
TOTAL FUNDS CARRIED FORWARD		**649**	**32**	**7,656**	**8,337**	**996**	**93**	**6,614**	**7,703**

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenses derive from continuing activities.

TREATMENT OF RESTRICTED, DESIGNATED AND GENERAL FUNDS

Where appropriate in the financial statements, income, expenditure and reserves are classified as restricted, designated or general funds. The income and expenditure are shown after restrictions have been applied.

For example, a donation which is 80% restricted will be classified as 80% restricted income and 20% as general income. If Gift Aid was claimed on this donation, 80% would be classified as designated income, and the remaining 20% would be general income.

The definitions of restricted, designated and general funds can be found in the accounting policies note 1J, 1K and 1L.

BALANCE SHEET

	NOTE	AS AT 30 JUNE 2022	AS AT 30 JUNE 2021
		£'000	£'000
FIXED ASSETS			
Tangible assets	12	**3,912**	3,847
Intangible assets	12	**-**	-
TOTAL FIXED ASSETS		**3,912**	3,847
CURRENT ASSETS			
Debtors	13	**672**	1,640
Cash at bank and in hand		**4,793**	3,891
Current Asset Investment		**4,085**	4,000
TOTAL CURRENT ASSETS		**9,550**	9,531
LIABILITIES			
Creditors	15	**(5,125)**	(5,675)
TOTAL LIABILITIES		**(5,125)**	(5,675)
NET CURRENT ASSETS		**4,425**	3,856
TOTAL NET ASSETS		**8,337**	7,703
THE FUNDS OF THE CHARITY			
UNRESTRICTED FUNDS			
General Funds		**7,656**	6,614
Designated Funds: Most Needed Fund		**32**	93
TOTAL UNRESTRICTED FUNDS		**7,688**	6,707
Restricted income funds	17	**649**	996
TOTAL FUNDS CARRIED FORWARD		**8,337**	7,703

Approved by the Board on 28 October 2022 and signed on its behalf by Jon Toohey



Company Registration Number 03719092

CASHFLOW STATEMENT

	AS AT 30 JUNE 2022	AS AT 30 JUNE 2021
	£'000	£'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the reporting period (as reported in the Statement of Financial Activities)	634	1,935
ADJUSTMENTS FOR:		
Depreciation & Amortisation charges	169	168
(Profit)/Loss on the sale of fixed assets	-	9
Dividends, interest and rents from investments	(24)	(1)
Decrease/(Increase) in debtors	968	(503)
(Decrease)/Increase in creditors	(550)	187
Creditors for fixed asset acquisitions unpaid at year end	37	-
Net cash provided by operating activities	1,234	1,795
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends, interest and rents from investments	24	1
Amount invested in short term investments	(85)	(4,000)
Purchase of fixed assets	(234)	(41)
Creditors for fixed asset acquisitions unpaid at year end	(37)	-
Proceeds from the sale of fixed assets	-	13
Net cash provided by/(used in) investment activities	(332)	(4,027)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD	902	(2,232)

	AS AT 30 JUNE 2022	AS AT 30 JUNE 2021
	£'000	£'000
Cash in hand at beginning of period	2,891	6,123
Notice deposits (less than three months) at beginning of period	1,000	-
TOTAL CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	3,891	6,123
Cash in hand at end of period	3,793	2,891
Notice deposits (less than three months) at end of period	1,000	1,000
Notice deposits (more than three months) at end of period	-	-
TOTAL CASH AND CASH EQUIVALENTS AT END OF PERIOD	4,793	3,891
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD	902	(2,232)

ANALYSIS OF CHANGES IN NET DEBT

	AT START OF YEAR	CASH FLOWS	AT END OF YEAR
CASH	2,891	902	3,793
CASH EQUIVALENTS	1,000	-	1,000
OVERDRAFTS AND LOANS	-	-	-

NOTES

1 ACCOUNTING POLICIES

Compassion UK Christian Child Development is a private charitable company limited by guarantee incorporated in England and Wales. The address of its registered office is set out on the final page, and a description of its principal activities is set out on page 7.

A) BASIS OF PREPARATION

The financial statements have been prepared under the historic cost convention. These accounts have been prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), Accounting and Reporting by Charities: Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2019.

The charity meets the definition of a public benefit entity under FRS 102. The reporting currency is GB Pounds Sterling and the accounts are rounded to the nearest thousand (£'000). The principal accounting policies adopted in the preparation of the financial statements are set out below.

The charity has adequate reserves and substantial recurring income. The Trustees therefore consider that the charity will be able to meet its commitments for at least twelve months from the date of approval of these financial statements and for the foreseeable future. The accounts are accordingly prepared on a Going Concern basis.

B) INCOME

This is included in the Statement of Financial Activities (SoFA) when:

- The charity becomes entitled to the resources;
- The trustees believe it is probable they will receive the income; and
- The monetary value can be measured with sufficient reliability.

100% of child gifts and appeal donations are restricted. 80% of all other donations received are restricted. Restricted donations are granted to Compassion International.

Income that relates to a future period is carried forward as deferred income. An example of this would be where a sponsor pays child support a year in advance.

Income from Gift Aid reclaims is recognised in the SoFA when the donation is made. Where backdated Gift Aid claims have been made which relate to donations in a prior period, this has been recognised in the current period.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate.

Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income from government grants is recognised on the performance basis when there is evidence of entitlement to the grant, receipt is probable, and its amount can be measured reliably.

Grants that are subject to conditions such as matched funding are only recognised once those conditions have been fulfilled.

Gifts in kind are accounted for at a reasonable estimate of their value to the charity or the amount actually realised.

Donated services and facilities are only included in income (with an equivalent amount in expenditure) where the benefit to the charity is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value to the charity of the service or facility received.

The value of any voluntary help received is not included in the accounts but is described in the Trustees' Annual Report.

Investment income is included in the accounts when receivable.

C) CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The main area of judgement is in relation to the allocation of central overhead costs between the various expenditure categories on the Statement of Financial Activities, the basis of which is set out in note 1(F).

Compassion makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. In the opinion of the trustees, the main estimate and assumption that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are in relation to the useful life of fixed assets, which are written-off in accordance with the depreciation policies set out in note 1(E).

D) FIXED ASSETS

Fixed assets are capitalised if they can be used for more than one year and cost at least £5,000. They are valued at cost on receipt.

E) DEPRECIATION AND AMORTISATION

Depreciation and amortisation are calculated to write off the cost of the assets brought into use less their residual value over their expected useful lives using the following rates:

- Computer equipment: 25% straight line
- Motor Vehicles: 25% straight line to estimated residual value
- Software: 25% straight line
- Furniture, fixtures and plant: 10% straight line
- Building structure: 2% straight line

Our assessment of our office valued the land at £1.3m. The rest of the structure, including the car park, is constructed from durable materials and has been estimated to have a useful life of 50 years.

F) EXPENDITURE

All expenditure is accounted for gross, and when incurred. Expenditure is included in the SoFA on an accruals basis and, because the charity is unable to recover any UK Value Added Tax paid, inclusive of that irrecoverable VAT. Expenditure includes the direct costs of the activities and depreciation on related assets.

Where such costs relate to more than one functional cost category, they have been split on an estimated time, floor space or other basis, as appropriate. A functional breakdown of expenditure is shown in notes 7 to 9.

Expenditure on Raising Funds are the direct costs and an appropriate allocation of support costs that were used to attract donations.

Expenditure on Charitable Activities include: monies remitted to Compassion International and other organisations in respect of child sponsorship income; costs of supporting and providing information and education to child sponsors, including a share of the costs of the charity's magazine; and other costs incurred directly in meeting the aims of the charity. Child grants include all monies paid to Compassion International and other organisations for the direct benefit of children.

Child Ministry and Advocacy Costs include all costs incurred in the ministry of children and raising awareness on their behalf.

This expenditure includes an appropriate allocation of support costs of central functions which have been allocated to activity cost categories on a basis consistent with the use of resources, for example by estimated staff time or floor space.

G) FOREIGN CURRENCIES

Assets, liabilities, revenues and expenditure in foreign currencies are translated into Sterling at the rates of exchange ruling on the date on which transactions occur, except for monetary assets and liabilities which are translated at the rate ruling at the balance sheet date where material. Transactions to be settled at a contracted rate and trading transactions covered by a related or matching forward contract are translated at those contracted rates. Differences arising on the translation of such items are dealt with in the SoFA.

H) GRANTS

Grants payable are recognised as expenditure when the commitment is entered into. Where such a grant is to be paid over instalments, the outstanding balance is disclosed as a liability.

I) OPERATING LEASES

Rentals payable under operating leases are charged to the SoFA on a straight-line basis over the period of the lease.

J) GENERAL FUNDS

General funds are funds available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

K) DESIGNATED FUNDS

Designated funds are unrestricted funds that have been set aside at the discretion of the trustees for a specific, but not legally binding, purpose.

L) RESTRICTED FUNDS

Restricted funds are income received for a particular purpose as specified by the donor or supplier, less expenditure applied for such a purpose.

M) PENSION COSTS

Compassion UK operates a money purchase pension scheme whereby it pays eligible staff defined contributions into the charity pension scheme. The contributions are charged to the Statement of Financial Activities as they become payable and the charity's liability is limited to the amount of the contributions.

N) LIABILITIES

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

O) FINANCIAL INSTRUMENTS

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, and loans to related parties.

P) CURRENT ASSET INVESTMENTS

Current asset investments are investments which the charity holds with a maturity date of less than one year. Investment properties are measured at fair value.

2 LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.

3 COMPASSION CHARITIES

COMPASSION INTERNATIONAL

The charity has a commitment to donors that 80% of monies received from child sponsorship and other child grants are transferred to Compassion International in the USA, who administer the distribution of funds for the benefit of each child on behalf of the charity (and other Compassion partners).

The amount of these funds granted during the year was £38,440,000 [FY21 £38,896,000] of which £2,864,000 [FY21 £3,723,000] was owed at the year-end and a further £719,000 [FY21 £451,000] was accrued. The outstanding amount represents the June 2022 grant and was transferred to Compassion International after the year-end.

The UK charity is actively involved in the overall administration of the support given to children and in the decisions made by the international partnership of Compassion charities.

Compassion International paid expenses of £3,000 [FY21 £20,000] to Compassion UK. Compassion UK incurred expenses of £74,000 [FY21 £29,000] to Compassion International of which £45,000 [FY21 £0] was accrued at year-end.

COMPASSION IRELAND

During the year Compassion Ireland's administration requirements have been undertaken for a fixed fee of 12% of donations received, excluding gifts and appeals.

During the year £65,000 [FY21 £63,000] was received in income from servicing Compassion Ireland and costs were £89,000 [FY21 £86,000]. The intercompany balance owing by Compassion Ireland is £82,000 [FY21 £36,000].

4 NET MOVEMENT IN RESOURCES FOR THE YEAR

	FOR THE YEAR ENDED 30 JUNE 2022 CURRENT TOTAL	FOR THE YEAR ENDED 30 JUNE 2021 PRIOR TOTAL
	£'000	£'000
Depreciation and amortisation of fixed assets	169	168
(Profit)/Loss on disposal of fixed assets	-	9
Annual audit fees	23	26
Other fees paid to auditor for advice/consultancy etc	4	4
Foreign exchange (gains)/losses	(5)	(39)

5a DONATIONS AND LEGACIES

	FOR THE YEAR ENDED 30 JUNE 2022				FOR THE YEAR ENDED 30 JUNE 2021			
	RESTRICTED FUNDS	DESIGNATED FUNDS MOST NEEDED	GENERAL FUNDS	TOTAL FUNDS 2022	RESTRICTED FUNDS	DESIGNATED FUNDS MOST NEEDED	GENERAL FUNDS	TOTAL FUNDS 2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
MINIMUM 80% RESTRICTED								
Child Sponsorship	27,489	-	6,872	**34,361**	27,531	-	6,883	**34,414**
Unsponsored Children	99	-	25	**124**	86	-	22	**108**
Project Sponsorship	-	-	-	**-**	-	-	-	**-**
Interventions	657	-	180	**837**	596	-	144	**740**
Sponsorship Plus	521	-	125	**646**	480	-	114	**594**
Child Survival Programme	344	-	86	**430**	261	-	65	**326**
HIV/Aids Fund	65	-	16	**81**	68	-	17	**85**
100% RESTRICTED								
Gifts for children and families	2,362	-	-	**2,362**	2,700	-	-	**2,700**
Gifts for projects	236	-	-	**236**	307	-	-	**307**
Christmas Appeal	992	-	-	**992**	906	-	-	**906**
Disaster Relief	624	-	-	**624**	475	-	-	**475**
MINIMUM 80% DESIGNATED								
Gift Aid	-	6,443	1,611	**8,054**	-	6,820	1,705	**8,525**
General unrestricted income	-	1,138	285	**1,423**	-	799	200	**999**
OTHER DONATIONS								
Other Donations	-	-	-	**-**	-	-	2	**2**
TOTAL	**33,389**	**7,581**	**9,200**	**50,170**	**33,410**	**7,619**	**9,152**	**50,181**

Included in the above is legacy income of £640,000 [FY21: £320,000]

5b GRANTS RECEIVED

	FOR THE YEAR ENDED 30 JUNE 2022				FOR THE YEAR ENDED 30 JUNE 2021			
-	RESTRICTED FUNDS	DESIGNATED FUNDS MOST NEEDED	GENERAL FUNDS	TOTAL FUNDS 2022	RESTRICTED FUNDS	DESIGNATED FUNDS MOST NEEDED	GENERAL FUNDS	TOTAL FUNDS 2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
FCDO Grant	280	-	-	**280**	322	-	-	**322**
Job Retention Scheme	-	-	-	**-**	-	-	280	**280**
TOTAL	**280**	**-**	**-**	**280**	**322**	**-**	**280**	**602**

FCDO Grant: A UK government matched funding grant providing pre and post-natal care for mothers and babies in Togo.

6 CHARITABLE ACTIVITIES

	FOR THE YEAR ENDED 30 JUNE 2022	FOR THE YEAR ENDED 30 JUNE 2021
	£'000	£'000
Compassion Ireland Service Income	65	63
Field Experience Income/(Refunds)	-	(4)
Other	6	2
TOTAL	71	61

Sponsors normally have the opportunity to visit projects and their sponsored children on a Compassion Insight Trip.
Field Experience income represents fees paid for trips which took place in the period. No trips have taken place since COVID-19 became a worldwide pandemic.

7 EXPENDITURE ON RAISING FUNDS

	NOTE	FOR THE YEAR ENDED 30 JUNE 2022	FOR THE YEAR ENDED 30 JUNE 2021
		£'000	£'000
Direct Costs Excluding Staff		1,971	1,104
Direct Staff Costs		1,799	1,531
Apportioned Support costs	9	1,196	941
TOTAL		4,966	3,576

8 EXPENDITURE ON CHARITABLE ACTIVITIES

		FOR THE YEAR ENDED 30 JUNE 2022				FOR THE YEAR ENDED 30 JUNE 2021			
	NOTE	RESTRICTED FUNDS	DESIGNATED FUNDS MOST NEEDED	GENERAL FUNDS	TOTAL	RESTRICTED FUNDS	DESIGNATED FUNDS MOST NEEDED	GENERAL FUNDS	TOTAL
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Grant Making	8a	34,016	4,552	647	39,215	33,874	5,102	633	39,609
Child Ministry Costs	8b	-	3,090	2,500	5,590	-	2,866	2,435	5,301
Compassion Ireland		-	-	89	89	-	-	86	86
Field Experience	8c	-	-	51	51	-	-	48	48
Furloughed Staff Salaries		-	-	-	-	-	-	281	281
TOTAL CHARITABLE EXPENDITURE		34,016	7,642	3,287	44,945	33,874	7,968	3,483	45,325

8a GRANT MAKING

	NOTE	FOR THE YEAR ENDED 30 JUNE 2022 RESTRICTED FUNDS £'000	DESIGNATED FUNDS MOST NEEDED £'000	GENERAL FUNDS £'000	TOTAL £'000	FOR THE YEAR ENDED 30 JUNE 2021 RESTRICTED FUNDS £'000	DESIGNATED FUNDS MOST NEEDED £'000	GENERAL FUNDS £'000	TOTAL £'000
Child Sponsorship		27,489	-	-	27,489	27,531	-	-	27,531
Unsponsored Children		99	42	-	141	86	1,854	-	1,940
Project Sponsorship		-	1,282	-	1,282	-	135	-	135
Gifts for Children and Families		2,362	11	-	2,373	2,700	9	-	2,709
Gifts for Projects		236	-	-	236	305	-	-	305
Christmas Appeal		992	-	-	992	906	-	-	906
Interventions		803	2,817	-	3,620	697	29	-	726
Disaster Relief		824	370	-	1,194	568	3,069	-	3,637
Child Survival Interventions		867	-	-	867	691	-	-	691
FCDO Child Survival Grant - Togo		152	30	-	182	248	-	-	248
HIV/Aids Funds		65	-	-	65	68	-	-	68
Other Funds		(1)	-	-	(1)	-	-	-	-
TOTAL CHILD GRANTS TO COMPASSION INTERNATIONAL	(i)	**33,888**	**4,552**	**-**	**38,440**	33,800	5,096	-	38,896
Compassion Norden and Germany Grants		-	-	23	23	-	-	25	25
Other Grants	(ii)	-	-	-	-	-	6	-	6
TOTAL GRANTS		**33,888**	**4,552**	**23**	**38,463**	33,800	5,102	25	38,927
Grant making support costs	9	-	-	624	624	-	-	608	608
FCDO Child Survival Grant - Togo	9	128	-	-	128	74	-	-	74
TOTAL COSTS OF GRANT MAKING		**34,016**	**4,552**	**647**	**39,215**	**33,874**	**5,102**	**633**	**39,609**

(i) Direct costs for child support and other child grants are grants for the benefit of children. Grants paid to Compassion International cover the grants to the projects, costs to run the field country and regional offices, as well as programme costs at Compassion International.

(ii) Other grants include grants to organisations that support Compassion's mission.

8b CHILD MINISTRY COSTS

		FOR THE YEAR ENDED 30 JUNE 2022 RESTRICTED FUNDS £'000	DESIGNATED FUNDS MOST NEEDED £'000	GENERAL FUNDS £'000	TOTAL £'000	FOR THE YEAR ENDED 30 JUNE 2021 RESTRICTED FUNDS £'000	DESIGNATED FUNDS MOST NEEDED £'000	GENERAL FUNDS £'000	TOTAL £'000
Child Ministry Costs	(iii)	-	3,090	-	**3,090**	-	2,866	-	2,866
Child Ministry Support Costs	9	-	-	2,500	**2,500**	-	-	2,435	2,435
TOTAL CHILD MINISTRY COSTS		**-**	**3,090**	**2,500**	**5,590**	**-**	**2,866**	**2,435**	**5,301**

(iii) Direct costs for child ministry are costs of supporting and providing information to child sponsors. This includes child letter postage and the proportion of facilities, IT and staff time allocated to supporting the relationship between the sponsor and the child.

8c FIELD EXPERIENCE COSTS

		FOR THE YEAR ENDED 30 JUNE 2022				FOR THE YEAR ENDED 30 JUNE 2021			
		RESTRICTED FUNDS	DESIGNATED FUNDS MOST NEEDED	GENERAL FUNDS	TOTAL	RESTRICTED FUNDS	DESIGNATED FUNDS MOST NEEDED	GENERAL FUNDS	TOTAL
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Field Experience Direct Costs		-	-	-	-	-	-	-	-
Field Experience Support Costs	9	-	-	51	51	-	-	48	48
TOTAL FIELD EXPERIENCE COSTS		-	-	51	51	-	-	48	48

Sponsors normally have the opportunity to visit projects and their sponsored children on Compassion Insight Trips. No trips have taken place since COVID-19 became a worldwide pandemic.

9 ANALYSIS OF SUPPORT COSTS

FOR THE YEAR ENDED 30 JUNE 2022

	RAISING FUNDS	GRANT MAKING	CHILD MINISTRY	FIELD EXPERIENCE	ADMINISTERING FCDO GRANT	TOTAL SUPPORT COSTS
	£'000	£'000	£'000	£'000	£'000	£'000
Facilities management	91	23	94	12	6	226
Information technology	301	182	728	14	36	1,261
Operations and finance	99	51	205	(3)	10	362
Support salaries	693	350	1,398	26	72	2,539
Audit and accounting fees	-	4	18	-	1	23
Governance costs	12	14	57	2	2	87
	1,196	624	2,500	51	127	4,498

FOR THE YEAR ENDED 30 JUNE 2021

	RAISING FUNDS	GRANT MAKING	CHILD MINISTRY	FIELD EXPERIENCE	ADMINISTERING FCDO GRANT	FIELD EXPERIENCE
	£'000	£'000	£'000	£'000	£'000	£'000
Facilities management	77	20	81	10	3	191
Information technology	281	190	758	11	23	1,263
Operations and finance	133	59	236	2	8	438
Support salaries	439	320	1,281	25	38	2,103
Audit and accounting fees	-	5	21	-	-	26
Governance costs	11	14	58	-	2	85
	941	608	2,435	48	74	4,106

All support costs are paid from unrestricted funds. Total support costs are allocated on the basis of staff time attributable to that cost centre.

10 STAFF COSTS

	FOR THE YEAR ENDED 30 JUNE 2022	FOR THE YEAR ENDED 30 JUNE 2021
	£'000	£'000
Wages and salaries	4,514	4,208
Contributions to defined contribution pension schemes	509	444
Social security costs	468	420
Health insurance and other HR costs	83	102
	5,574	**5,174**
Job Retention Scheme Grant Income	-	280

	FOR THE YEAR ENDED 30 JUNE 2022	FOR THE YEAR ENDED 30 JUNE 2021
	FTE	FTE
Management	5	5
Support and administration	30	27
Supporter relations	46	40
Fundraising and communications	56	57
Grant Management	1	1
	138	**130**
Percentage increase in staffing levels	6%	5%

	FOR THE YEAR ENDED 30 JUNE 2022	FOR THE YEAR ENDED 30 JUNE 2021
AVERAGE NUMBER OF EMPLOYEES (HEADCOUNT)	161	152
THE NUMBER OF EMPLOYEES WHOSE REMUNERATION FOR THE PERIOD FELL WITHIN THE FOLLOWING BANDS: Figures Represent Salary Before Any Salary Sacrifice Deductions		
£60k up to £70K	3	3
£70k up to £80K	2	2
£80k up to £90K	-	-
£90K up to £100K	-	-
£100K up to £110K	1	1

- Defined benefit pension contributions of £47,000 [FY21: £44,000] were made during the year for the above higher paid staff. This excludes employee contributions made via salary sacrifice.
- The company operates a defined contribution pension scheme on behalf of its employees. The pension charge for the year was £481,000 [FY21: £434,000], of which £52,000 [FY21: £40,000] was payable at the year-end.
- The five key management personnel are listed on page 33. The total employee remuneration, including National Insurance and benefits, of key management personnel of the charity was £477,000 [FY21: £469,000].
- During the year, £0 [FY21: £3,000] of redundancy costs were incurred.

11 TRUSTEES' REMUNERATION

No trustees' remuneration was voted during the year.

Trustee expenses of £800 [FY21 £0] were paid in the year.

The total premiums paid for trustee indemnity insurance in the year was £1,000 [FY21 £1,000].

12 FIXED ASSETS

	TANGIBLE ASSETS					INTANGIBLE ASSETS
	FURNITURE, FIXTURES AND PLANT	COMPUTER HARDWARE	MOTOR VEHICLES	FREEHOLD LAND AND BUILDINGS	TOTAL	COMPUTER SOFTWARE
	£'000	£'000	£'000	£'000	£'000	£'000
COST						
Balance at 1 July 2021	386	297	41	3,656	4,380	1,243
Additions for the year	6	-	228	-	234	-
Disposals for the year	-	-	-	-	-	-
BALANCE AT 30 JUNE 2022	**392**	**297**	**269**	**3,656**	**4,614**	**1,243**
DEPRECIATION/AMORTISATION						
Balance at 1 July 2021	136	234	3	160	533	1,243
Disposals for the year	-	-	-	-	-	-
Depreciation for the year	42	59	16	52	169	-
BALANCE AT 30 JUNE 2022	**178**	**293**	**19**	**212**	**702**	**1,243**
NET BOOK VALUE						
At 1 July 2021	250	64	38	3,495	3,847	-
At 30 June 2022	214	4	250	3,444	3,912	-

13 DEBTORS

	AS AT 30 JUNE 2022	AS AT 30 JUNE 2021
	£'000	£'000
Compassion Ireland	**82**	36
Gift Aid reclaimable	**115**	1,150
Other debtors and grants receivable	**128**	77
Prepayments	**347**	377
	672	**1,640**

14 CURRENT ASSET INVESTMENTS

	AT 30 JUNE 2022	AT 30 JUNE 2021
	£'000	£'000
Investment Property	85	-
Cash held on 95 day deposit	4,000	4,000
	4,085	**4,000**

During the year one property was donated to Compassion during the year with a fair value of £85,000. The property was unsold at the end of the financial year.

15 CREDITORS

		AS AT 30 JUNE 2022	AS AT 30 JUNE 2021
		£'000	£'000
Compassion International		2,864	3,722
Deferred income	16	286	242
Trade creditors		602	546
Accruals		1,194	1,025
Other taxation and social security		127	99
Pension contributions outstanding		52	41
		5,125	**5,675**

16 DEFERRED INCOME

	AS AT 30 JUNE 2022	AS AT 30 JUNE 2021
	£'000	£'000
DEFERRED INCOME BROUGHT FORWARD	242	215
Deferred income released in the year	(193)	(163)
Income deferred in the year	237	190
DEFERRED INCOME CARRIED FORWARD	**286**	**242**

17 RESTRICTED FUNDS

	BALANCE AT 1 JULY 2021	RESTRICTED INCOME	TRANSFER	RESTRICTED EXPENDITURE	BALANCE AT 30 JUNE 2022
	£'000	£'000	£'000	£'000	£'000
Child Sponsorship	-	27,489	-	(27,489)	-
Unsponsored Children	-	99	-	(99)	-
Project Sponsorship	-	-	-	-	-
Gifts for children and families	-	2,362	-	(2,362)	-
Gifts for Projects	2	236	-	(236)	2
Christmas Appeal	-	992	-	(992)	-
Interventions	102	634	163	(803)	96
Hillsong Water from Partners	-	23	-	-	23
Disaster Relief	200	624	-	(824)	-
Child Survival Programme	693	344	358	(867)	528
FCDO Child Survival Grant - Togo	-	280	-	(280)	-
HIV/Aids Funds	-	65	-	(65)	-
Sponsorship Plus	(1)	521	(521)	1	-
TOTAL	**996**	**33,669**	**-**	**(34,016)**	**649**

	BALANCE AT 1 JULY 2020	RESTRICTED INCOME	TRANSFER	RESTRICTED EXPENDITURE	BALANCE AT 30 JUNE 2021
	£'000	£'000	£'000	£'000	£'000
Child Sponsorship	-	27,531	-	(27,531)	-
Unsponsored Children	-	86	-	(86)	-
Project Sponsorship	-	-	-	-	-
Gifts for children and families	-	2,700	-	(2,700)	-
Gifts for Projects	-	307	-	(305)	2
Christmas Appeal	-	906	-	(906)	-
Interventions	295	596	(93)	(697)	101
Disaster Relief	-	475	293	(568)	200
Child Survival Programme	843	261	280	(691)	693
FDCO Child Survival Grant - Togo	-	322	-	(322)	-
HIV/Aids Fund	-	68	-	(68)	-
Sponsorship Plus	-	480	(480)	-	-
TOTAL	**1,138**	**33,732**	**-**	**(33,874)**	**996**

PURPOSE OF RESTRICTED FUNDS

CHILD SUPPORT
To relieve poverty amongst sponsored children.

UNSPONSORED CHILDREN
To support children registered in the programme, but awaiting sponsorship.

GIFTS FOR CHILDREN AND FAMILIES
To bless the child or their family with additional gifts.

GIFTS FOR PROJECTS
To bless a church project with additional resources.

CHRISTMAS APPEAL
To provide a present and a celebration for each child.

INTERVENTIONS
To meet vital needs outside of what sponsorship covers.

DISASTER RELIEF
Critical relief for sponsored children and their projects, including reconstruction.

CHILD SURVIVAL INTERVENTIONS
Pre and post-natal care for mothers and babies.

HIV AND AIDS FUND
To support sponsored children and their families affected by HIV and AIDS.

SPONSORSHIP PLUS
Additional support for beneficiaries. To address critical needs of children around the world, including Child Survival Interventions, medical emergencies, disaster relief and preventative health. During the year, £521,000 was transferred to other appropriate restricted funds. £163,000 was transferred to interventions and £358,000 to child survival.

FCDO CHILD SURVIVAL GRANT TOGO
Pre and post-natal care for mothers and babies and UK costs of administering the grant.

18 RELATED PARTY TRANSACTIONS

During the year there were no related party transactions.

19 LEASING COMMITMENTS

At 30 June 2022 the total of the charity's future minimum lease payments under non-cancellable operating leases was:

	AS AT 30 JUNE 2022			AS AT 30 JUNE 2021		
	CARS	OTHER	TOTAL	CARS	OTHER	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000
Less than one year	27	13	**40**	47	12	**59**
Two to five years	26	25	**51**	40	5	**45**
Greater than five years	-	2	**2**	-	-	**-**
	53	**40**	**93**	**87**	**17**	**104**

During the year £59,000 of lease payments were recognised as an expense (FY21 £60,000).

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

This analysis shows the fund balances at year-end split into tangible fixed assets and net current assets. The analysis also shows the Restricted and Unrestricted Funds in these categories.

	AS AT 30 JUNE 2022			AS AT 30 JUNE 2021		
	FIXED ASSETS	NET CURRENT ASSETS	TOTAL 2022	FIXED ASSETS	NET CURRENT ASSETS	TOTAL 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Restricted Funds	-	649	**649**	-	996	**996**
Designated Funds Most Needed	-	32	**32**	-	93	**93**
General Funds	3,912	3,744	**7,656**	3,847	2,767	**6,614**
	3,912	**4,425**	**8,337**	**3,847**	**5,044**	**7,703**

REFERENCES AND ADMINISTRATIVE DETAILS

REGISTERED CHARITY NO. 1077216 (ENGLAND AND WALES)
SC045059 (SCOTLAND) COMPANY NUMBER 03719092

COMPANY SECRETARY
Amy Hiorns (née Carter)

REGISTERED AND PRINCIPAL OFFICE
Compassion House, Barley Way, Fleet, GU51 2UT

AUDITORS
Menzies LLP, Centrum House, Station Road, Egham, TW20 9LF

SOLICITORS
Barlow Robbins LLP, The Oriel, Sydenham Road, Guildford, Surrey, GU1 3SR

BANKERS
Barclays Bank PLC
Tunbridge Wells Group



facebook.com/compassionuk

twitter.com/compassionuk

youtube.com/compassionuk



COMPASSION UK CHRISTIAN CHILD DEVELOPMENT

England & Wales - Charity number 1077216

Accounts

Annual Report

AND FINANCIAL STATEMENTS 2020/2021



REHEMA,
AGED 8,
KENYA

Releasing children from poverty
Compassion®
in Jesus' name

COMPASSION UK CHRISTIAN CHILD DEVELOPMENT
Registered charity in England and Wales (1077216) and Scotland (SC045059).
Registered in England and Wales company number 03719092.

Highlights 2020/2021



114,450

CHILDREN SUPPORTED



398,819

LETTERS WRITTEN



£50.8m

TOTAL INCOME



88.6%

OF DONATIONS WERE USED FOR CHARITABLE ACTIVITIES

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SARAH, AGED 12, BRAZIL

HOW CHILD SPONSORSHIP CHANGES LIVES



"On several occasions I asked myself 'Does God care about me?' Because poverty was teaching me that God didn't care, that I wasn't important, that I was not valuable. And it was in the middle of that, that God used Compassion to show me His love and His care for me.

"When I was 7, I was shining shoes in the street; when I was 14, I was fixing and assembling computers; when I was 23, I was already an IT manager.

"We don't know how God is going to use the child you are sponsoring today, but we do know for sure we are changing one life, we are impacting a community, we are bringing glory to the Lord."

TONY BELTRAN,
Compassion International National Director, Dominican Republic

A MESSAGE FROM JUSTIN DOWDS
CEO COMPASSION UK & IRELAND



Here at Compassion UK, we're mindful of our responsibility to serve well. We're aware of the huge sacrifices that many of our supporters make and not a penny is spent without careful consideration. In preparation for our 2020-2021 Financial Year, we set to work creating even more detailed models to try and understand the impact that COVID-19 would have on our ability to support precious children around the world.

But we are acutely aware of the words of Proverbs 19:21, "Many are the plans in the mind of a man, but it is the purpose of the LORD that will stand." Globally we've seen places of worship, organisations and businesses close their premises. Indeed, we began the year with all 25 of our country offices shut and staff working remotely.

On the face of it, there seem many reasons for concern, but ours is not a ministry confined by buildings, but rather is fully reliant on God's grace. While premises may have been locked, the Church has been active and busier than ever. Compassion has always been a Church-based ministry empowering local Christians to be the very hands and feet of Jesus in their communities.

We believe the Church is part of God's heart to share His love with the world, and it's been incredible to see the innovation and creativity of our frontline church partners and our supporting church partners as they have rallied in the face of an ever-changing pandemic. This has been a truly global crisis and as a global community we have responded to the call in Galatians 6:2 to 'carry each other's burdens.'

Despite personal pressures and great uncertainty, our Compassion UK sponsors have continued to faithfully give, write, and pray for our children. As a result, cancellation rates have been among the lowest we've ever had, and one-off gifts have increased in both number and value. Overall, donations increased by £4,060,000, raising our total income to £50,840,000, and the number of children and young people we support increased by 2,856 to 114,450.

In addition, the percentage of supporters signed up for Gift Aid rose from 75.8% to 78.0%. This has helped to increase Gift Aid by £926,000 compared to last year, which we used to respond to disasters, support children still waiting for a sponsor, and establish a pilot project to assist 3,504 children without individual sponsors.

The challenges thrown upon us by successive lockdowns have also provided impetus and opportunity for innovation, particularly in the realm of digital communications. Our Digital Transformation plan has been accelerated with a fully digital journey for sponsors now mapped out.

We have also made improvements to the Compassion UK App - which more than 17,000 of our supporters and sponsors are now engaging with - and seen a 74% increase in online sponsorships thanks to our new digital advertising strategy.

With overseas travel on hold, our new Virtual Vision Trips have been invaluable in connecting supporters, church leaders and parliamentarians with our incredible field staff and the vital work they are doing on the frontline. Indeed, without the financial and time commitments of travelling to the other side of the world, more supporters have been able to engage directly with our teams on the frontline. These powerful connections have led to increased commitment from supporters, more media articles about our work and even references to Compassion's ministry in parliamentary debates.

All this reflects what we can achieve when we work together as a global Body of Christ. It's been wonderful to work with so many collaborators, including media outlets, who share our passion to ensure that precious children are known, loved, and protected. Our partnership with Premier Radio as their Charity of the Year will continue into 2022. We've also televised two special events on TBN UK, including the wonderful Carols with Compassion in December.

While we have so much to be grateful for, the reality is challenges are far from over. As restrictions are lifted here, much of the world remains in lockdown. The risks to health and livelihoods are prevalent and decades of progress look set to be eradicated as the World Food Programme predict as many as 150 million more people will fall into extreme poverty by the end of 2021.

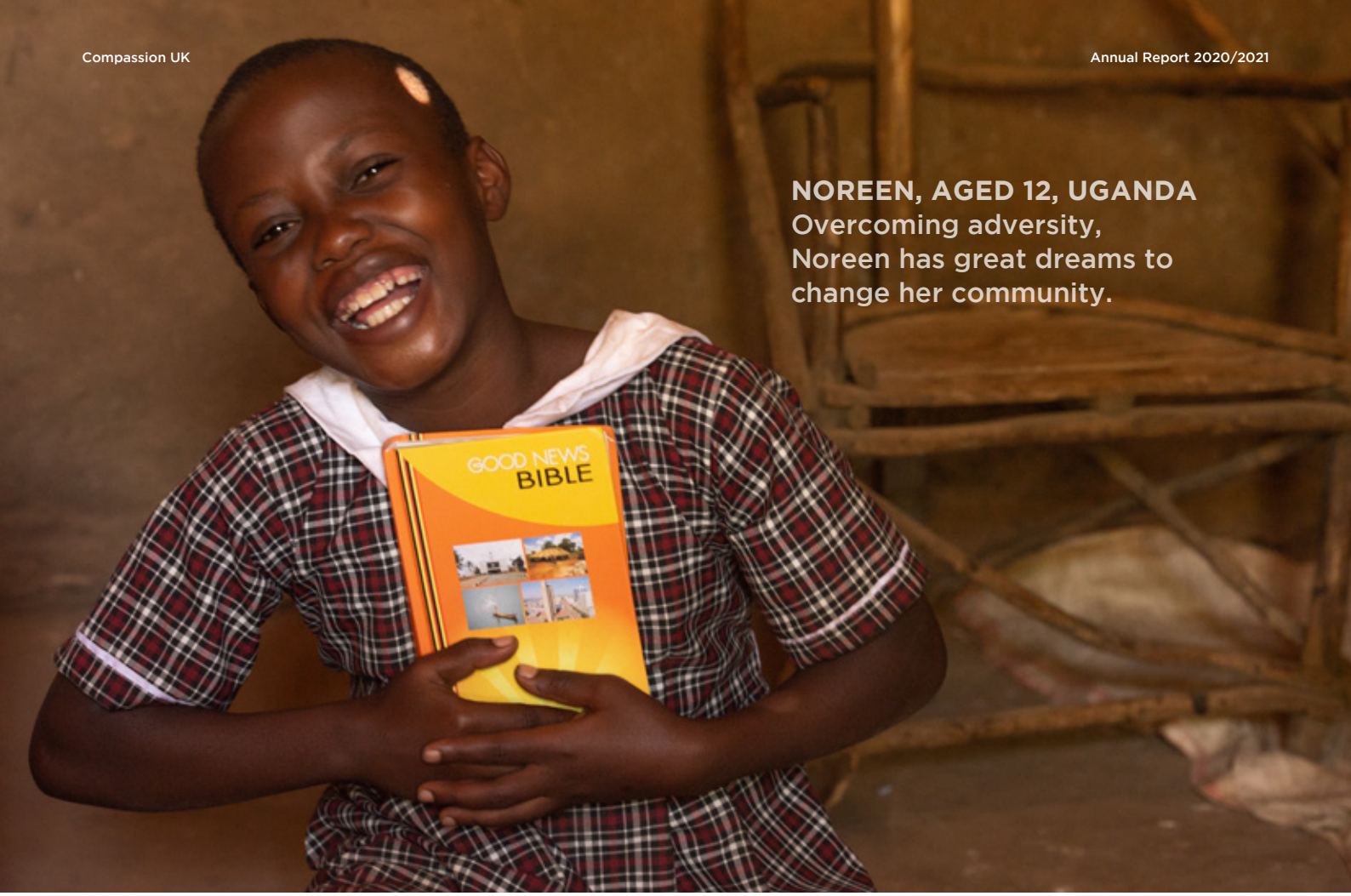
We will not stand by idly. The absence of face-to-face church meetings and Christian events curtailed our ability to reach new supporters over the past year. However, as we look ahead to the 2021-22 Financial Year, we will be stepping up our efforts engage more Christians in supporting children.

While so much remains uncertain, we hold firm to the promise that "God is our refuge and strength, an ever-present help in trouble. Therefore, we will not fear." Psalm 46:1-3. Thank you again for your faithful and generous support on behalf of Compassion's global family and the children we serve. I pray that you will be encouraged by the contents of this report and the remarkable difference you are making as part of the Body of Christ.

Objectives & ACTIVITIES



ESTEFANY WITH HER SON AXEL, EL SALVADOR
Estefany is a young mother raising her son with support from Compassion's Child Survival Interventions.



NOREEN, AGED 12, UGANDA
Overcoming adversity, Noreen has great dreams to change her community.

OUR MISSION:

RELEASING CHILDREN FROM POVERTY IN JESUS' NAME

Our charitable purpose as defined by our articles of association:

THE RELIEF OF POVERTY, SUFFERING OR DISTRESS AMONGST CHILDREN.

THE EDUCATION AND TRAINING OF CHILDREN.

TO ADVANCE THE CHRISTIAN FAITH IN ALL OR ANY PART OF THE WORLD.

THE DEVELOPMENT OF CHILDREN TO SOCIAL AND SPIRITUAL MATURITY.

PUBLIC BENEFIT

Our trustees review our activities each year to ensure we follow the Charity Commission's general guidance on public benefit and their specific guidance on the prevention or relief of poverty and the advancement of religion as defined by our articles of association.



DOMIC, AGED 9, EL SALVADOR
Domic prays daily with his little brother Diego.

WHO WE ARE

CHRIST CENTRED

Jesus is at the heart of everything we do. Our programmes show God's love to children born into extreme poverty. Whilst Christ's love motivates us, we help children from all backgrounds, regardless of belief.

CHILD FOCUSED

We intentionally focus on caring for children, the most vulnerable to the devastating effects of poverty. We support children in every area of their lives, tackling the root causes of poverty that hold them back.

CHURCH BASED

We believe the local church is best placed to care for their community. We run our programmes in partnership with 7,982 local churches who know their communities inside out.

SEE COMPASSION IN ACTION

AT A GLOBAL LEVEL
COMPASSION UK
IS PART OF THE WIDER COMPASSION FAMILY



MADE UP OF

14

GLOBAL FUNDRAISING PARTNERS

WE WORK IN

25

COUNTRIES

THROUGH

7,982

FRONT-LINE CHURCHES

WHO ALTOGETHER SUPPORT

2,166,363

CHILDREN

HOW WE SERVE CHILDREN

OUR 3 KEY PROGRAMMES



FORTUNE, AGED 6, TOGO
Fortune is overjoyed to receive letters from her sponsor.

SURVIVAL
0-1 YEARS
Community workers from local churches work closely with pregnant women and babies to provide access to life-saving medical support, vaccinations, health screenings, hygiene supplies, nutritional supplements, education and skills training that will help secure a healthy future for their families.

SPONSORSHIP
1-22 YEARS
Our Child Sponsorship Programme connects children born into poverty with loving sponsors. Children and sponsors build relationships by writing regular letters to each other about their lives and sharing photographs.

INTERVENTIONS
Interventions help us save lives and address development issues that sponsorship funds alone cannot, like providing safe drinking water, tackling malnutrition, supplying emergency relief after a disaster and much more.



Hanna was in desperate need after her husband left and job opportunities dried up. Compassion's local church partner stepped in, providing vocational training and food for her and baby son Mikias.

CHILD SURVIVAL

We reach at-risk children even before they've been born. Through access to pre and post-natal care, nutritional supplies, vaccinations and critical support and training for mums, we give children the opportunity to not only survive but thrive.

When they reach the age of one, children are automatically enrolled into the Compassion Sponsorship Programme where the love and care they have received in the all-important early days can continue as they grow.

CHILD SPONSORSHIP

We believe that every child should be known, loved and protected; that they are precious and unique.

Our Child Sponsorship Programme is tailored to meet the needs of each individual child. We want each one to have the opportunity to escape poverty and find hope for a better future.

Our holistic model supports the development of a child's mind, body, spirit and heart through the provision of:

SCHOOL RESOURCES & UNIFORMS
to help defeat illiteracy and provide critical skills

MEDICAL CHECK-UPS
to fight back against disease and keep children healthy

HEALTHY MEALS
and additional nutritional support where needed

CHRIST-CENTRED GUIDANCE
through the local church to overcome fear and hopelessness

VOCATIONAL TRAINING
to equip them for the future

RECREATIONAL ACTIVITIES
to improve self-confidence, social and emotional skills

A ONE-TO-ONE RELATIONSHIP WITH THEIR ONLY SPONSOR
with letters translated into their native language to bring hope and positive change

NAPADA AND NATHIPORN, THAILAND
Both girls want to become nurses when they are older to help children.

CHILD SPONSORSHIP HOW DOES IT WORK?

We connect one child born into the vulnerability of poverty with one sponsor.

DOES IT WORK?

A three-year independent study of Compassion's holistic child development programme, led by Dr Bruce Wydick of the University of San Francisco and published in the peer-reviewed *Journal of Political Economy* in 2013, concluded that the programme has a large and statistically significant impact on children's educational, employment, and leadership outcomes: **compassionuk.org/itworks**

WHAT DO SPONSORS RECEIVE?

- Photos and information updates
- Child letters to keep them connected
- Insights into the country where their sponsored child lives
- Opportunities to hear about Compassion's work



PRATCHAYA, AGED 8, THAILAND
"I want to be a policeman when I grow up. The policemen can protect people and help catch bad people, like a superhero in a movie."

During their time in a Compassion project, a child receives, on average, **4,000 HOURS** of face-to-face time with Christian project staff members.*

Children attend their Compassion project for at least **43 WEEKS** of the year. This allows us to carefully assess their development over time as they grow.*

Through their local church, children receive a **BIBLE** or age-appropriate portion of scripture and opportunities to hear the **GOSPEL.**

*During the COVID-19 pandemic, we have adjusted our strategy for caring for children in extreme poverty, resulting in some changes to the delivery of our programmes. Read more on page 16.

INTERVENTIONS

Compassion Interventions equip us to take further action to help children and the communities in which they live.

From the provision of safe drinking water, initiatives to tackle malnutrition or the distribution of emergency relief after a disaster, Compassion Interventions save lives.



ABEL, AGED 13, ETHIOPIA
Diagnosed with stomach cancer at just nine-years-old, Abel's family were unable to afford the three-year treatment he needed. Compassion were able to support the family through this difficult time and offer full funding for Abel's treatment and he is now cancer free.

CORONAVIRUS
RESPONSE

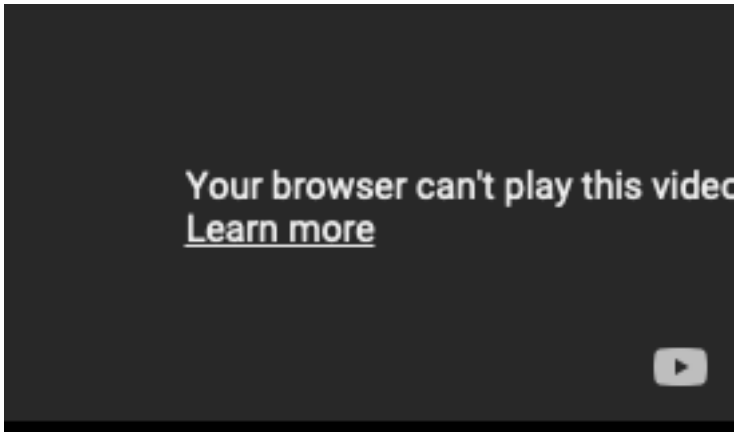


SHANIZ, AGED 9, KENYA

COVID-19 RESPONSE

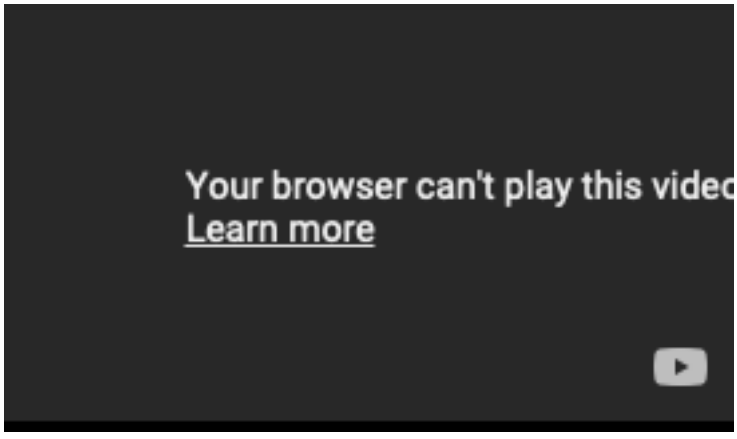
COVID-19 has increased the need in communities where our church partners work. Unfortunately, developing countries are less equipped for testing, caring for COVID-19 patients, and have reduced access to preventative measures such as vaccinations. As a result, we see greater vulnerability to the economic fallout, food scarcity, civil unrest and child protection issues resulting from quarantines and lockdowns.

While the UK is now on a trajectory of opening up and reducing restrictions, much of the world is experiencing either new outbreaks of COVID-19 or very slow ongoing progress.



CHANGES TO OUR CHILD SPONSORSHIP PROGRAMME

During the pandemic, restrictions have fluctuated across the 25 countries where Compassion serves. As of June 2021, 23% of projects have been delivering programme activities as normal, 34% have been meeting at the project in small groups, 21% have been carrying out activities by distance learning and 22% are supporting children and families through home visits.



Usually, sponsorship funds are primarily used for church-based programme activities to provide education, meals, medical care and opportunities to encourage healthy development. Since the pandemic began we have released our church partners to redeploy these funds to meet the critical needs of children, young people, and their families by prioritising unmet urgent needs during the pandemic, including household necessities like food, soap, detergent, hygiene kits and other tangible resources to care for and protect children and their families.

OTHER KEY DIFFERENCES IN HOW OUR PROGRAMME HAS BEEN DELIVERED DURING COVID-19:

- As restrictions allow, some projects hold small group classes and activities at local church projects.
- COVID-19 restrictions have meant that letters between children and sponsors have been delayed or interrupted.
- Church partners in many countries are delivering the Compassion curriculum through mobile phones, online classes and resources rather than through group activities at the project.
- Young people reaching the normal graduation age may have their registrations temporarily extended if leaving our programme at this time would impact their safety or threaten their ability to maintain food, shelter and healthcare.
- Gifts from sponsors to their sponsored children or their families may be delivered as direct money transfers, so that they reach the recipient as quickly as possible.

ADDITIONAL EMERGENCY RESPONSE

- We are providing food packs and grocery vouchers for families who can no longer afford food.
- We are helping family members access medical care and cover the costs of treatment if they become ill.
- We are helping cover rent payments for families who have lost their jobs due to COVID-19.

SPEAKING UP FOR CHILDREN



Our Challenge Event Volunteers have raised **£54,528** and seen **22 CHILDREN** sponsored in the last year.

Despite the global pandemic our Administrative Volunteers gifted **3,255 HOURS** during the last 12 months.

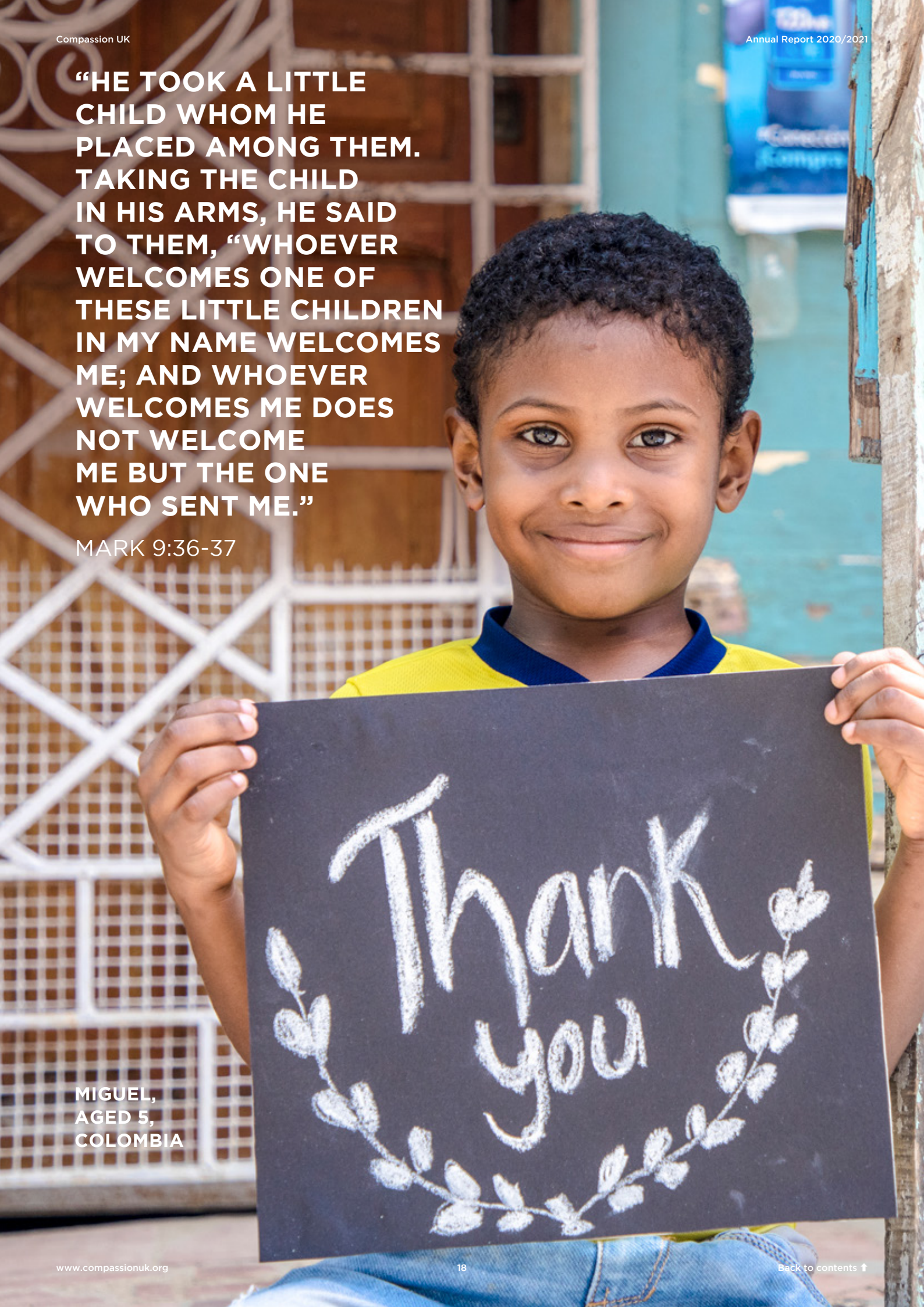
We have **101** fully registered active Volunteer Speakers across the UK & Ireland.

We have **33** Administrative Volunteers doing a multitude of amazing tasks.

DANNY WIGLEY, COMPASSION SPONSOR
Danny completed a marathon with Compassion Challenges.

“HE TOOK A LITTLE CHILD WHOM HE PLACED AMONG THEM. TAKING THE CHILD IN HIS ARMS, HE SAID TO THEM, “WHOEVER WELCOMES ONE OF THESE LITTLE CHILDREN IN MY NAME WELCOMES ME; AND WHOEVER WELCOMES ME DOES NOT WELCOME ME BUT THE ONE WHO SENT ME.”

MARK 9:36-37



MIGUEL, AGED 5, COLOMBIA

Strategic REPORT

"FOR I KNOW THE PLANS I HAVE FOR YOU," DECLARES THE LORD, "PLANS TO PROSPER YOU AND NOT TO HARM YOU, PLANS TO GIVE YOU HOPE AND A FUTURE."

JEREMIAH 29:11



SOPHIA, AGED 6, BRAZIL
Inspired by Sara, a Compassion photojournalist, Sophia dreams of taking photos and writing stories when she grows up.

1 JULY 2018 – 30 JUNE 2021

3 YEAR STRATEGIC GOALS







GOAL 1: FOR A MINIMUM OF 80% OF DONATIONS TO BE USED FOR THE DIRECT BENEFIT OF CHILDREN OVER THE THREE-YEAR PERIOD

We set a three-year goal to maximise the impact we're making through our projects, therefore we ensured at least 80% of donations were used for the benefit of children. The remaining funds were stewarded diligently so that Compassion UK was well-governed, run efficiently, and could undertake activities to help us find new sponsors to support even more children.

GOAL 2: FOR OUR INCOME IN THE 2021 FINANCIAL YEAR TO GROW TO £50 MILLION ANNUALLY

We want to increase the level of care for children in our projects which is why we set a goal of increasing our income to £50m annually, and it has been wonderful to see our supporters respond so generously this year. Our supporters continued to faithfully support their sponsored children through regular monthly giving while also increasing their one-off giving in response to the increased challenges faced by children living in extreme poverty during the pandemic. We also saw hundreds more supporters chose to sign Gift Aid declarations when asked.



FY18 41,598,000

FY19 44,463,000

FY20 46,236,000

FY21 50,836,000

GOAL 3: FOR 125,000 CHILDREN TO BE SPONSORED BY END OF FY21

We set an ambitious goal to accelerate our rate of growth and see 125,000 children sponsored by 30 June 2021. The children we serve are never just a number, each one knitted together uniquely in their mother's womb, each with a name and a story. Sponsors play a key part in supporting children, alongside Compassion's staff, to retain hope for their future.

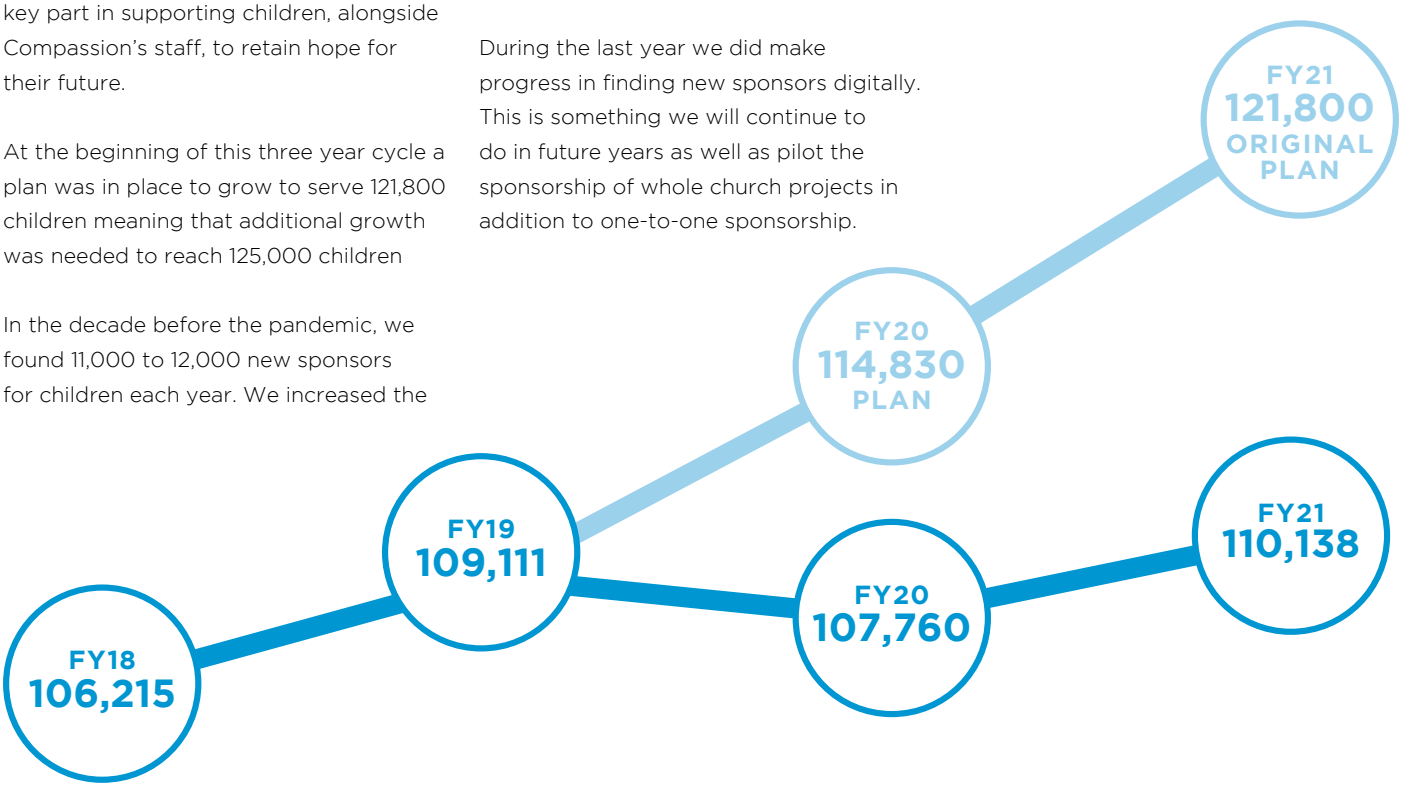
At the beginning of this three year cycle a plan was in place to grow to serve 121,800 children meaning that additional growth was needed to reach 125,000 children

In the decade before the pandemic, we found 11,000 to 12,000 new sponsors for children each year. We increased the capacity of our frontline church team so we could see even more children find a sponsor in future years. Progress in this area was slowed by the COVID-19 pandemic which prohibited face to face church engagements and live events for 15 months.

During the last year we did make progress in finding new sponsors digitally. This is something we will continue to do in future years as well as pilot the sponsorship of whole church projects in addition to one-to-one sponsorship.

At the beginning of the pandemic, we did see some increased cancellations though most sponsors continued to faithfully give every month.

Overall, the number of sponsored children increased by less than anticipated.



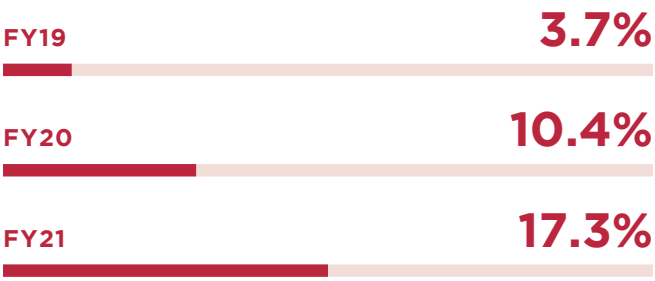
GOAL 4: FOR SUPPORTERS TO HAVE THE OPTION OF A FULLY DIGITAL PROCESS WHICH EXCEEDS THE PAPER SPONSORSHIP EXPERIENCE

Most of our supporters would like us to harness digital technology to improve the speed and ease of communication with their sponsored children, create a richer experience, save money on print costs and protect the environment by sending less paper.

The added demands of the pandemic meant a delay to development in this area. An experience equal to the paper experience is available, and progress has been made developing new experiences that can only be achieved digitally, though these will not be released to supporters until early into next financial year.



GOAL 5: FOR 35% OF SPONSORS TO BE ACTIVE ON OUR COMPASSION UK APP



Supporters have told us that they want to interact with Compassion digitally through their smartphones. We set a goal that by the end of FY21, 35% of our sponsors would be actively engaging with us digitally.

Last year, we changed our emphasis to focus on the quality of the user experience rather than the quantity of users using digital platforms.

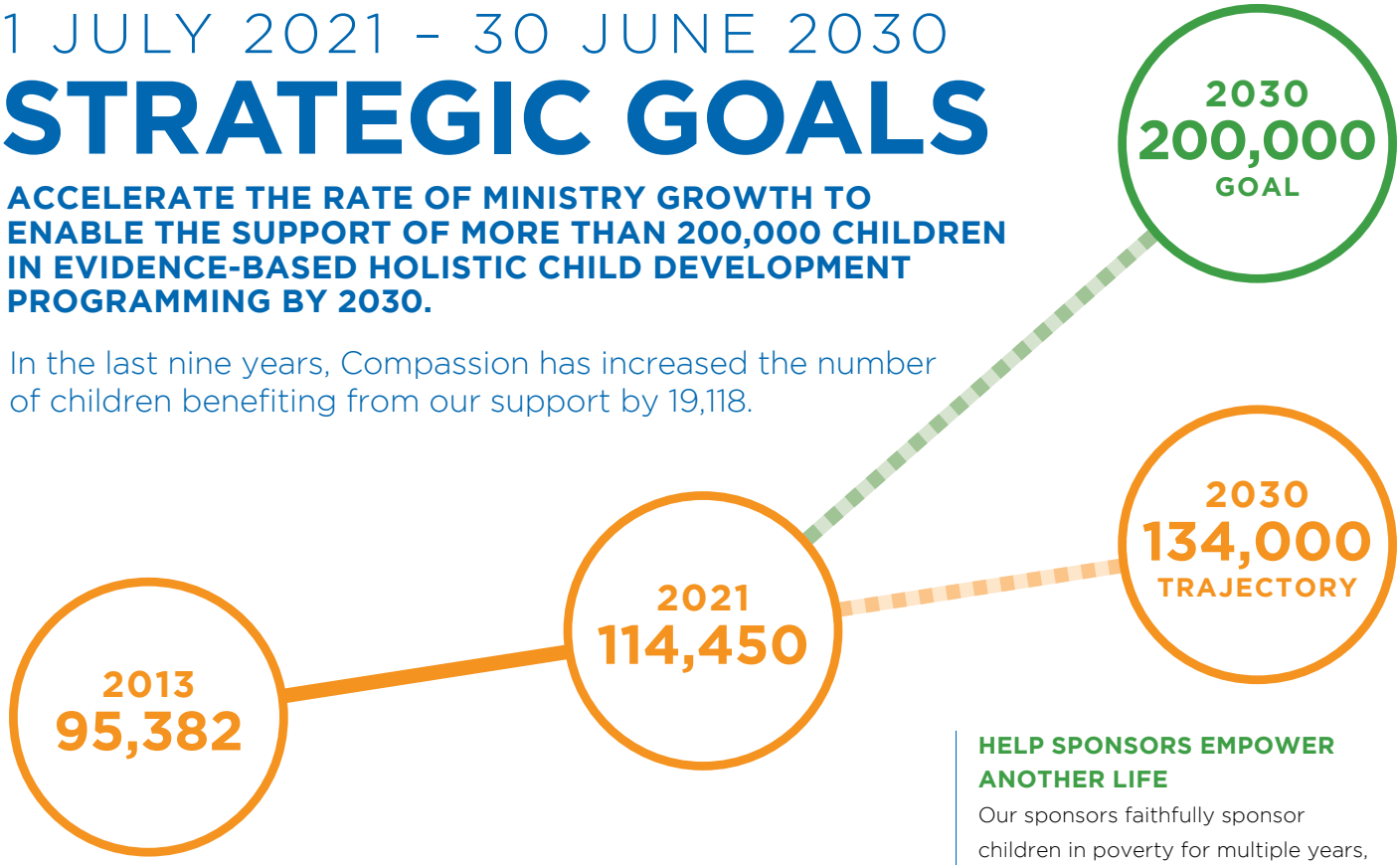
We have continued to steadily increase the number of supporters engaging with us digitally as well as improving the quality and functionality for users.

1 JULY 2021 – 30 JUNE 2030

STRATEGIC GOALS

ACCELERATE THE RATE OF MINISTRY GROWTH TO ENABLE THE SUPPORT OF MORE THAN 200,000 CHILDREN IN EVIDENCE-BASED HOLISTIC CHILD DEVELOPMENT PROGRAMMING BY 2030.

In the last nine years, Compassion has increased the number of children benefiting from our support by 19,118.



However, with children's futures in the balance, and with the scale of global extreme poverty, we do not believe we are doing enough, and so we are endeavouring to accelerate our rate of growth to reach 200,000 a year by 2030 through innovation, perseverance and prayer.

IN PURSUIT OF OUR FY30 GOAL, WE AIM TO ACHIEVE THE FOLLOWING IN FY22:

INCREASE THE RATE NEW SPONSORS FOR CHILDREN ARE FOUND

Our supporters have been extremely faithful throughout the pandemic but as the ability to recruit new sponsors was severely curtailed due to the absence of church and event opportunities, we are prioritising sponsorship growth in FY22.

MINIMUM OF 9,550 NEW SPONSORSHIPS

INCREASE THE NUMBER OF GIFT AIDING SUPPORTERS

We want to steward the resources God gives to us as wisely as possible, and in these efforts, we believe that prioritising Gift Aid is imperative. This substantial additional revenue is already helping us reach many more children and pilot innovative work in our field countries. Next year, we have planned appeals and campaigns to lift the percentage of our supporters who have signed a Gift Aid declaration to 80%.

80% GIFT AID RATE

REDUCE THE NUMBER OF SPONSORS WHO CANCEL THEIR SPONSORSHIP WITHIN THE FIRST YEAR

A supporter is more likely to cancel their sponsorship in the first year. We want to do our best to ensure that supporters who want to continue to sponsor, are able to do so, protecting children from the feelings that come with losing their sponsor.

REDUCE FIRST YEAR CANCEL RATE TO 10%

HELP SPONSORS EMPOWER ANOTHER LIFE

Our sponsors faithfully sponsor children in poverty for multiple years, and it's a significant milestone in a young adult's life when they no longer need Compassion's support. We want to continue to encourage sponsors to empower another life by sponsoring a subsequent child after a graduation.

52% OF GRADUATIONS LEAD TO ANOTHER SPONSORSHIP

EMBED INNOVATION AS A CORE COMPETENCY

We want each of our team members to be able to answer the question, "What would need to be true for this team to make its biggest possible contribution to the journey to 2030?" and obtain the tools to take a holistic view of innovation.

90% OF OUR EMPLOYEES TRAINED TO INNOVATE

HIGHLY ENGAGED TEAM MEMBERS

We want our people to thrive in a rapidly changing environment and remain highly engaged knowing this will lead to better outcomes for Compassion and higher job satisfaction for staff.

IMPROVE OUR STAFF ENGAGEMENT SCORE TO 4.29

COMPASSION UK'S **IMPACT** THIS FINANCIAL YEAR

OUR SPONSORSHIP PROGRAMME

We connect one vulnerable child born into extreme poverty with one sponsor. Through sponsorship, every child is provided with holistic care in each area of their lives - mind, body, heart and spirit.



8,396 CHILDREN WERE NEWLY SPONSORED

4,780 CHILDREN LEFT THE PROGRAMME





96% OF SPONSORS CONTINUED THEIR CHILD SPONSORSHIP

AT THE YEAR END THERE WERE **106,634** CHILDREN AND YOUNG ADULTS REGISTERED IN OUR SPONSORSHIP PROGRAMME



PROJECT SPONSORSHIPS

We're piloting a new approach using Gift Aid funds to support whole projects in Rwanda and Ghana and are monitoring outcomes.



3,504 CHILDREN IN **24** PROJECTS

OUR CHILD SURVIVAL INTERVENTIONS

We reach at-risk children even before they've been born. Through the provision of pre and post-natal care, nutrition, vaccinations, plus critical support and training for mums, we aim to give children the best start in life.



2,264 MOTHERS AND BABIES WERE REGISTERED IN CHILD SURVIVAL INTERVENTIONS BY THE YEAR END, AN INCREASE OF **774**

OUR UNSPONSORED CHILD PROGRAMME

We ensure children benefit from quality holistic care while we try to find them a sponsor.

AT THE YEAR END THERE WERE **3,180** CHILDREN BEING LOOKED AFTER WHILE WAITING FOR A SPONSOR



COMPASSION UK

CHILDREN SUPPORTED:

114,450

IN 25 COUNTRIES WHERE WE WORK



Bangladesh	1,784
Bolivia	2,929
Brazil	2,629
Burkina Faso	4,816
Colombia	3,321
Dominican Republic	2,354
Ecuador	2,702
El Salvador	2,307
Ethiopia	8,366
Ghana	8,754
Guatemala	1,814
Haiti	5,864
Honduras	1,656

Indonesia	5,781
Kenya	12,819
Mexico	1,791
Nicaragua	2,214
Peru	2,870
Philippines	3,551
Rwanda	8,469
Sri Lanka	1,316
Tanzania	5,230
Thailand	2,411
Togo	5,105
Uganda	13,597





398,819
ENCOURAGING MESSAGES OF SUPPORT BETWEEN CHILDREN AND THEIR SPONSORS

WE PROVIDED EVERY CHILD IN OUR PROJECTS WITH A CHRISTMAS GIFT AND PASSED ON **78,633** ADDITIONAL GIFTS TO CHILDREN, THEIR FAMILIES OR THEIR PROJECTS

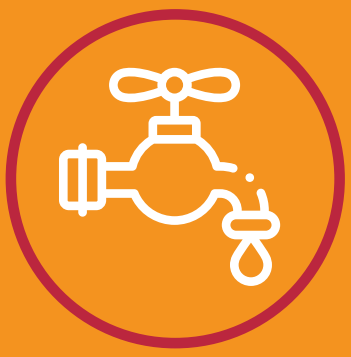


WE LAUNCHED AN INTERVENTION SUPPORTING REFUGEES WITH TOILETS, WATER STORAGE SOLUTIONS, SCHOLARSHIPS, INCOME-GENERATING TRAINING AND MENSTRUAL HYGIENE KITS





MALARIA PREVENTION WORKSHOPS FOR **2,797** PEOPLE



11
SAFE WATER SOURCES PROVIDED

600
EDUCATION SCHOLARSHIPS



21
CLASSROOMS AND COMPUTER LABS BUILT



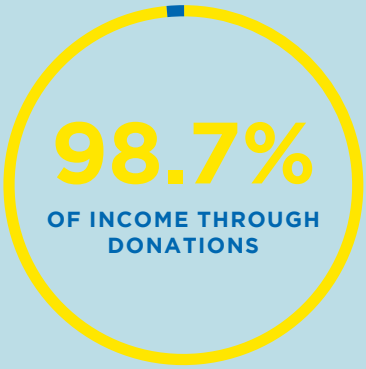
COVID 19 INFO

We granted **£3,637,000** to fund additional hygiene packs, food parcels, rent provision, health and nutrition education, child protection support, water distribution, psychosocial support and trauma counselling, among other crisis response interventions for children, families and communities affected by COVID-19. The majority of these funds were granted from the Most Needed Fund, which is mainly from Gift Aid income.

FINANCIAL REVIEW

INCOME

Total Income:
£50.84m



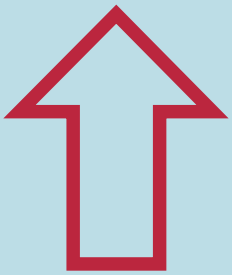


DONATIONS GREW BY
£4.06
MILLION



DONATIONS TO CHILD SPONSORSHIP
£2.2m
GROWTH

Donations for child sponsorship grew by £2.2m. This increase was due to the rate increase in April 2020.



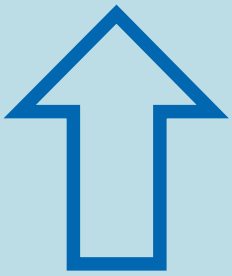
GIFT AID RECEIVED
£0.9m
INCREASE

In FY21 Gift Aid claimed increased by £0.9m to £8.5m. This is linked both to the increase in donations and a higher Gift Aid sign up rate of 78%.



DONATIONS FOR GIFTS
£0.7m
ADDITIONAL RAISED

Our supporters donated £3.9m in one off gifts for children, their families, their projects, and for Christmas.



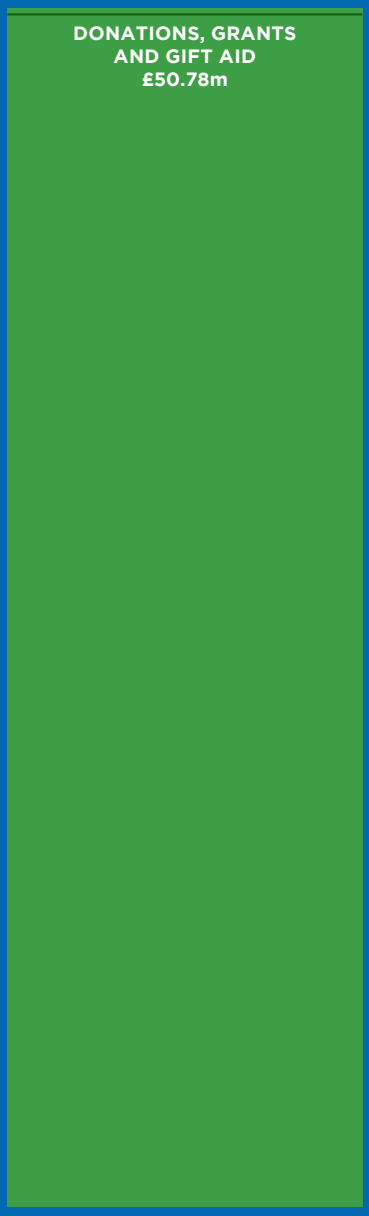
£0.4m
ADDITIONAL

Donations to the Most Needed Fund reached £1m thanks to a £0.4m increase in donations and legacies.

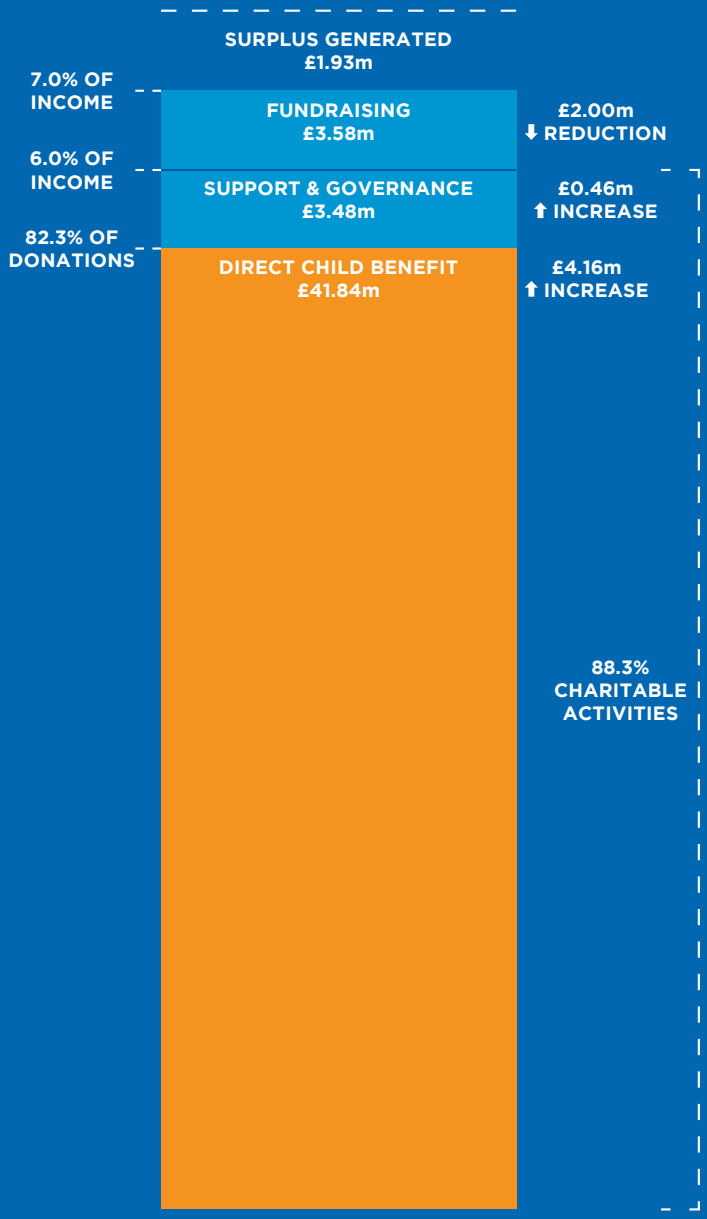
FINANCIAL REVIEW

INCOME & EXPENDITURE

INCOME
£50.84m



EXPENDITURE
£48.90m



During the financial year, as a result of increased donations, we were able to grant £4.15m of additional funds to Compassion International compared to the prior year.

We increased the amount we spent on support and governance by £0.46m. The majority of this resulted from increased Information Technology costs as we invested in the digital journey for supporters and automation.

The pandemic reduced some of our normal opportunities to reach new sponsors, and as a result, we spent £2.00m less on fundraising than in the previous year.

The savings in fundraising resulted in a surplus of £1.93m, which will carry over into next year.

FINANCIAL REVIEW

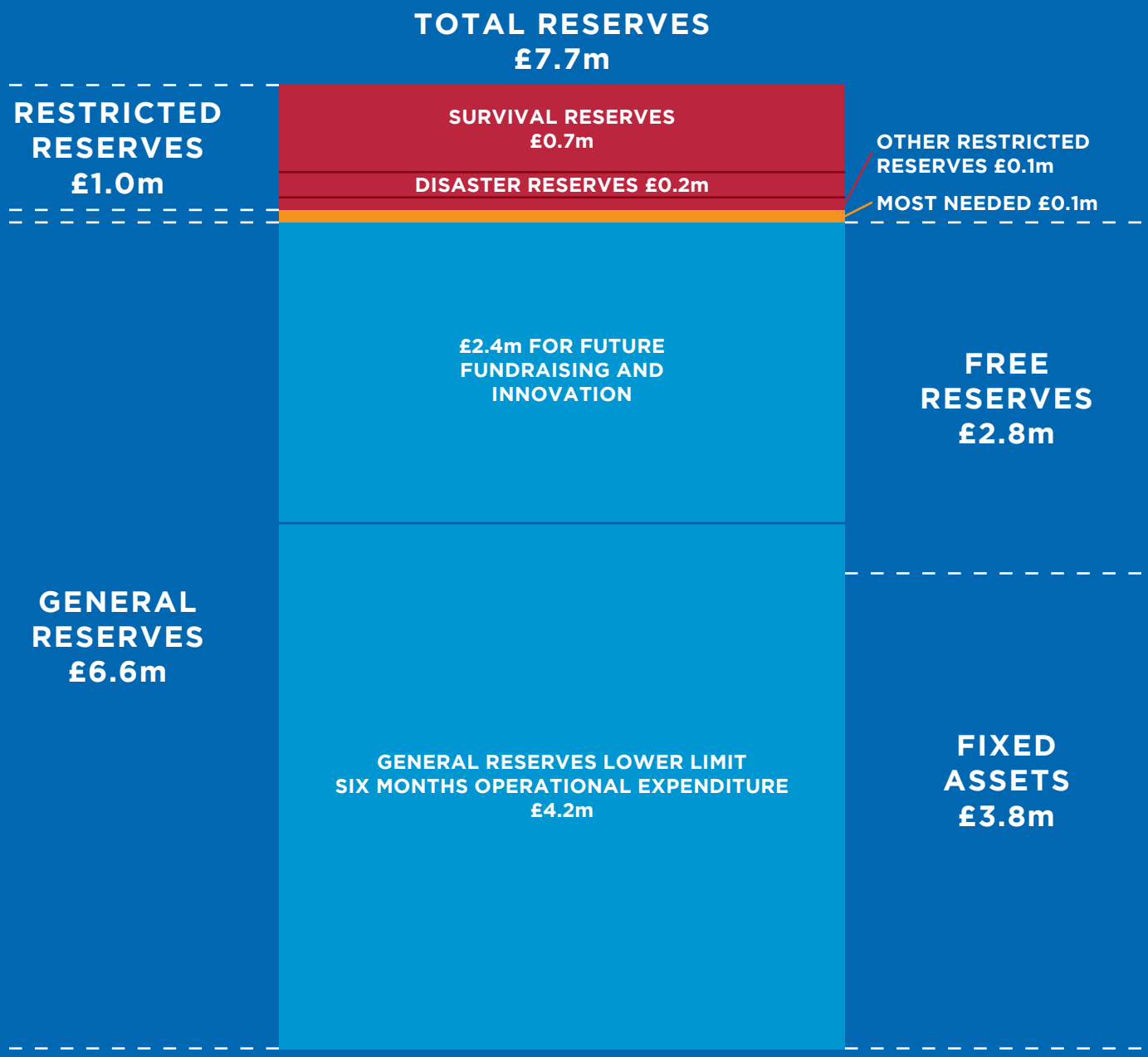
RESERVES

We will operate a deficit budget for the next two financial years while we make up this ground lost in the pandemic. Historically, spending money on finding sponsors has generated at least five times more direct child benefit in the long term than granting funds immediately.

The trustees policy is to hold six months of operational expenditure in reserve to protect the charity from unexpected drops in income or unanticipated expense.

The pandemic reduced the opportunities to meet with potential new supporters leading to savings in fundraising costs, this means that, as a result, fewer additional children were sponsored than expected this year.

Our volunteer trustees monitor fund balances each year and normally seek to maximise additional grants where there are available reserves and no risk to operational stability.



PRINCIPAL RISKS AND UNCERTAINTIES

Compassion UK is a global partner of Compassion International, which has a separate risk management and global audit function focusing on Compassion's large-scale risk profile internationally. Compassion entities work together in the identification and co-assessment of Compassion's global risks. This includes the risks all the way from Compassion UK to the child and their project. The UK volunteer trustees bear the responsibility for ensuring that risks are managed and controlled appropriately.

SUMMARY OF MAJOR RISKS AND COMPASSION'S RISK MITIGATION

THERE ARE NEARLY 385 MILLION CHILDREN LIVING IN EXTREME POVERTY

This is an ongoing and painful reality that we have a biblical mandate to act upon as urgently as we can. It appears probable that the effect of the COVID-19 crisis could draw more children into extreme poverty.

Prayerful and strategic progress

We're committed to finding ways to engage people with the problem of poverty in a way that doesn't feel overwhelming and inspires action rather than paralysis. We ensure prayer is a key part of our strategy to allow God to do His work and provide divine hope into situations that can appear unresolvable.

Increasing our reach via investment in church partnerships and volunteers

This is a continued area of focus and growth for Compassion UK, which has become more challenging because of COVID-19. We need to continue to find ways to partner with churches physically and digitally.

Continued coronavirus emergency response appeal

This is to address the increased programmatic needs during the pandemic.

DIGITAL DISRUPTION

Technology continues to evolve at an ever-increasing rate, and it can be difficult for charities to keep up. This is true both of the technology itself and the rules and regulations governing this growing area. Failure to keep up with technology could result in a lost opportunity to improve supporter experience, and the scale and efficiencies of communications through the adoption of new technology.

Technological development

We're delighted that almost 17,000 supporters are using the Compassion UK App. We're also celebrating the growth in sponsorships from digital advertising this year. We will continue to grow our digital expertise and drive towards digital-first communications as standard across all our marketing and supporter engagement materials, preparing for future generations of supporters whilst serving and not alienating our existing supporter base.

ECONOMIC CLIMATE AND RISK OF REDUCED OR INSUFFICIENT INCOME

There is continued uncertainty around the effect of COVID-19 on the economy and our supporters. The UK economy is still on an unsure footing and suffers from currency fluctuations. This makes future financial planning challenging.

Hedging

Careful planning means we can increase currency stability via hedging.

Diversifying revenue streams

We continue to receive grant funding from the Foreign, Commonwealth & Development Office (FCDO) towards Child Survival Interventions in Togo. We also have other plans to diversify income further in the future.

NEGATIVE MEDIA COVERAGE OF THE CHARITY SECTOR

Successive scandals and charity press exposés have led to greater interest and focus on the activities and communications of the third sector.

Investment in media monitoring

We invest in media monitoring services to be made aware of any emerging stories relating to Compassion, our partners or our area of ministry as soon as possible. In addition, we have a clear and robust crisis communication process in place, which includes collaboration with Compassion International and our UK based PR agency, Jersey Road, to manage any potential or emerging communications issues.

SAFEGUARDING INCIDENTS

Protecting children is the heart of what we do. Implementing child protection measures across our 7,982 church partners is more challenging during the COVID-19 pandemic, both incident reporting and the ability to run full investigations due to lockdowns.

Child protection remains Compassion's key priority

Modifications have been made to programme implementation, including providing families and caregivers with relevant resources for child protection; enabling incident reporting to be done remotely; and monitoring and assessing local and national restrictions. See page 32 for more information.

CYBERSECURITY ATTACKS

In an increasingly connected world, cyberattacks are sadly becoming more sophisticated.

We continued to strengthen technical and organisation safeguards

Compassion UK has successfully achieved the National Cyber Security Centre's Cyber Essentials Certification Plus, which demonstrates the organisation has sufficient measures to guard against the most common cyber threats.

We continue to implement security enhancements to proactively identify cyber risks, and commit to conduct robust security reviews of suppliers who are engaged as data processors.

ACTS OF GOVERNMENT AND REGULATORY BODIES

It is possible operations are either prevented, delayed or hindered because of governments imposing stringent restrictions, which may lead to full or partial closure or suspension of office premises or programme activities in countries where Compassion operates.

Robust business continuity and disaster recovery plans

Compassion International monitors local and national restrictions and has in place contingency measures for adapting activities, as far as possible, to meet the needs of the beneficiaries.

In the UK we have an emergency response workflow in the event of a disruptive event. All Compassion UK staff are equipped with the necessary resources that enable homeworking at short-notice.

FINANCIAL CRIME

Our programmes operate in areas of extreme poverty within countries where there may be political and/or social unrest and an increased risk of corruption and fraud.

Working with the right partners

Identification, monitoring and evaluation of risks forms the framework for who we choose to partner with. We work exclusively through local churches who must have rigorous processes to ensure that money is used appropriately. We also provide a framework to those churches to help safeguard funds.

Supervising and audit

Our main National offices in each country supervise local churches, overseeing financial, operational and regulatory compliance. Employing finance staff to review expenditure in detail helps ensure that money is being spent correctly, alongside an independent internal audit department that reviews both local churches and the national offices.

When financial incidents are suspected, there is a robust investigation process. During investigation, partnerships with churches may be suspended and funds withheld. A serious incident process is also in place for reporting to appropriate regulators in the UK including the Charity Commission. Based on the outcome of the investigation, a church partnership may be terminated, and the perpetrators dismissed from their role. Compassion will take reasonable steps to recover stolen or intentionally misused funds.

Structure, GOVERNANCE & MANAGEMENT



INGRIDD, AGED 17, INDONESIA
Compassion's church partner established a computer lab at Ingridd's project. As a result, she's now the first member of her family to become computer literate.

OUR VOLUNTEER TRUSTEES

The trustees are the directors of Compassion UK for the purposes of company law and the trustees of Compassion UK for the purposes of charity law. All trustees are also members.



Chair of the Board of Trustees and Data Protection Trustee Lead
Jon is a qualified accountant, treasurer and member of the Institute of Directors with more than 30 years' experience of senior finance, systems and change management roles with global multinational companies in various industries.



Chair of the Finance and Audit Committee
Ken is a chartered accountant with more than 40 years' experience supporting the growth and development of a variety of organisations.



Shaun is the Chief Operating Officer and on the board of one of the world's leading professional service firms in the areas of risk, safety and people. He has a wealth of experience in multiple industries.



Safeguarding Trustee Lead
A former pastor, Delfin is an internationally experienced solicitor and founding member of his law firm.



Cathy and her husband are involved in the global leadership of Hillsong Church, a thriving church in the heart of cities around the world.



Richmond is the senior pastor of New Life Baptist Church in Kampala, Uganda, the President and Founder of Pastors Discipleship Network and a Compassion Graduate.



Deputy Safeguarding Trustee Lead
Anna has been working globally focusing on health, human rights and international development for over 40 years, representing the UK at numerous international fora.



(Resigned as a trustee on 16 October 2020)
Graham spent his career working with Warner Bros., before moving into the Christian music industry, running Word Music and then managing his own media consultancy business.



(Appointed as a trustee on 16 October 2020)
Matthew is a qualified accountant and Chartered Member of the Institute of Housing. Passionate about improving quality of life for those he serves he is Chief Executive of Leeds Federated Housing Association and Chair of PlaceShapers and Life Church Bradford.



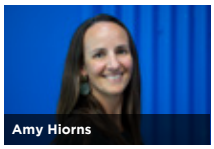
(Appointed as a trustee on 16 October 2020)
Hedy is a chartered accountant who has had various roles working with the public sector, charities, churches and community projects with a particular focus on families and young people.

LEADERSHIP TEAM

Authority to conduct the day-to-day operations of the charity is delegated to the Chief Executive Officer, who is responsible for carrying out the strategies and policies set by the trustees. The trustees responsiblities are set out on page 37



Chief Executive Officer



Chief Operating Officer and Company Secretary



Senior Director of Marketing and Engagement



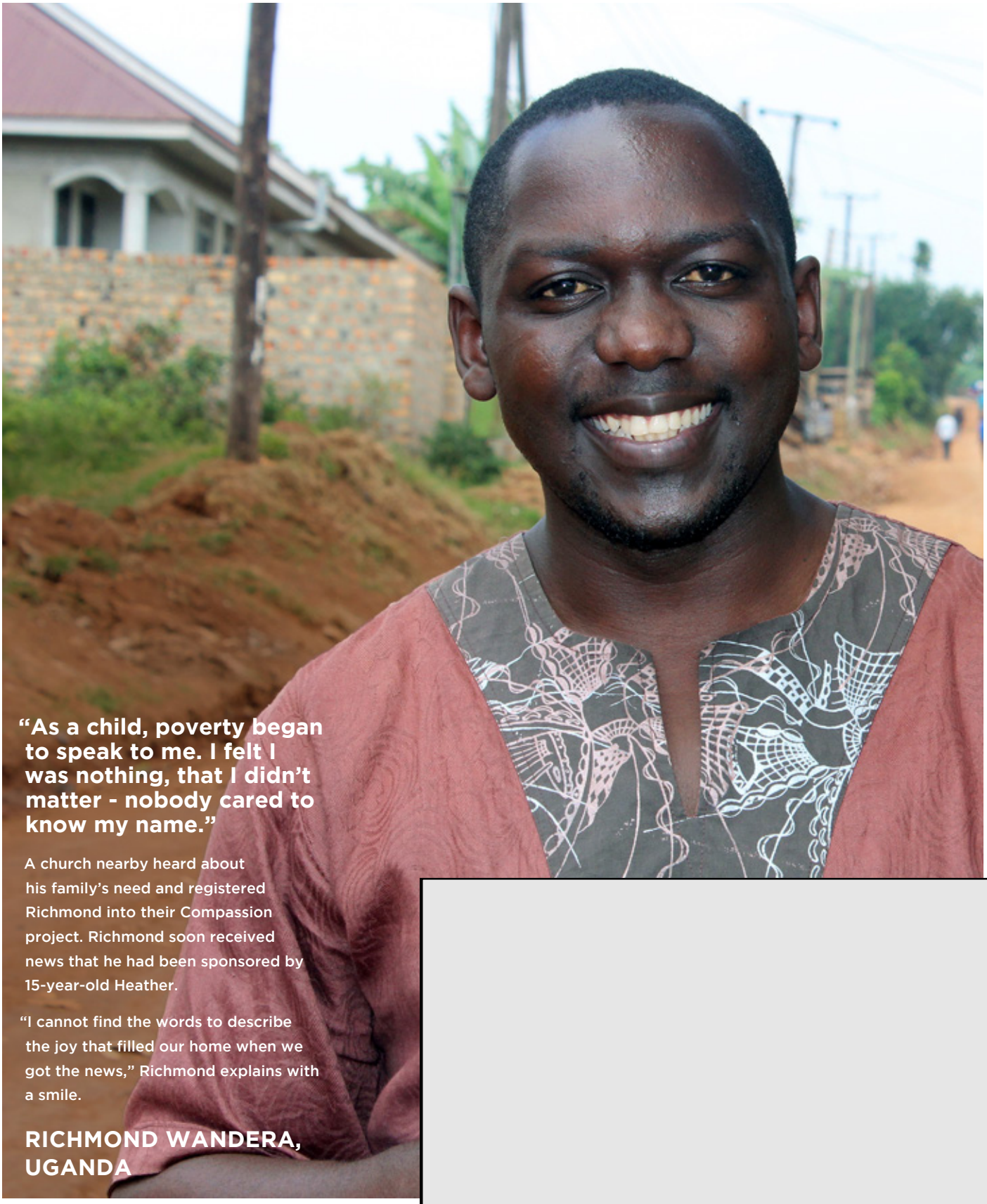
Senior Director of Partnerships



Finance Director

HOW CHILD SPONSORSHIP CHANGED MY LIFE

Richmond Wandera, Trustee



"As a child, poverty began to speak to me. I felt I was nothing, that I didn't matter - nobody cared to know my name."

A church nearby heard about his family's need and registered Richmond into their Compassion project. Richmond soon received news that he had been sponsored by 15-year-old Heather.

"I cannot find the words to describe the joy that filled our home when we got the news," Richmond explains with a smile.

RICHMOND WANDERA, UGANDA

SAFEGUARDING

The protection of anyone who comes into contact with Compassion UK or our work is at the core of our ministry, and we are committed to doing all we can to keep children and adults safe, ensuring that they are known, loved and protected.

We have a zero-tolerance approach to safeguarding issues involving children. Compassion UK's Child Protection implementation strategy is embedded within three key pillars: Prevention, Reporting and Response.

PREVENTION

Everyone at Compassion UK is responsible for creating and maintaining an environment that neither tolerates nor condones the maltreatment of children or adults. Activities and efforts to promote safeguarding primarily focuses on stringent preventative interventions which reduce risk factors. These include:

Governance and Leadership – our Board of Trustees take their safeguarding duties very seriously and, as such, have expanded the Safeguarding capacity at Compassion UK this year. As a result, a Deputy Designated Safeguarding Trustee has been appointed, and a Safeguarding Compliance Officer has been recruited. Along with our Designated Safeguarding Trustee and Child Protection Officer, this core team leads the Safeguarding work at Compassion UK. Safeguarding is a standing agenda item at each Board meeting; regular Executive Team meetings and safeguarding updates are provided to every trustee each month. In addition, there is a child protection policy across all countries where Compassion works.

Safer Recruitment – safeguarding is embedded in recruitment processes for staff, trustees and volunteers, including background and DBS checking and high standards of behaviour being set. This year a new Volunteering Policy has been developed, and our Board have approved joining the Misconduct Disclosure Scheme. Further measures have also been embedded within our recruitment process.

Training and Development – all staff and trustees receive child protection training as part of their initial onboarding. Refresher training was provided to all staff in February 2021 and to the Board in June 2021. Role-specific training in Marketing and Communications and Field Experience teams have also been delivered.

Communications and Content – Compassion's Marketing and Communications Team have global standards to align with our Child Protection policies. The beneficiary's interest is always our primary concern and one which we would never compromise when capturing content.

Field Experience – with travel curtailed due to the COVID-19 pandemic, our safeguarding controls have been adapted so they are fit for purpose in virtual and online trips. No one can travel to the field before undergoing stringent background checking and signing a commitment to acceptable behaviour. Training is provided 'in country' by local staff to reinforce the safeguarding protocols in place.

REPORTING

Everyone at Compassion UK is responsible for reporting any potential incident, abuse or concern they witness or are made aware of. This includes a responsibility to report any breach of Compassion's 'Statement of Commitment to Child Protection and Code of Conduct', which all staff and trustees sign. Compassion UK has an appropriate and accessible process for reporting safeguarding concerns that is available to all. Regular training is provided on following the reporting protocols both in the UK and overseas.

Compassion UK has a 'Whistleblowing Policy and Procedure' intended to encourage and enable anyone to raise serious concerns without fear of victimisation, subsequent discrimination or disadvantage. Whistle-blowing concerns can be raised anonymously through our website, this includes the option to report directly to the Whistle-blowing trustee.

Compassion International uses the Ethics Point Hotline System which is available to employees, downstream partners, volunteers, beneficiaries and the general public to report information.

RESPONSE

Compassion's greatest responsibility is to protect children from harm. If a child is harmed, the priority is to restore the child's safety and provide an opportunity for them to experience healing.

Compassion follows all relevant national laws relating to the reporting of child maltreatment and criminal behaviour. Compassion UK takes our responsibility seriously to report all relevant Serious Incidents to the Charity Commission, FCDO and any other relevant authority.

MODERN SLAVERY

Compassion UK is committed to upholding high standards of accountability and transparency to ensure slavery and human trafficking is not taking place within our organisation or supply chains. We believe that everyone who comes into contact with the organisation has the right to be protected from all forms of harm, abuse, neglect and exploitation.

We publish information about the actions we have taken during the year on our website.

Registered with FUNDRAISING REGULATOR

FUNDRAISING STATEMENT

WE BELIEVE THAT EXTREME POVERTY CAN BE ERADICATED IN OUR LIFETIME. THIS AMBITIOUS AIM CANNOT BE ACHIEVED WITHOUT IGNITING MEMBERS OF THE PUBLIC TO ACTION. WE ARE BLESSED AND THANKFUL FOR THE LONG-TERM COMMITMENT AND GENEROSITY OF OUR SUPPORTERS AS WE WORK TOGETHER TO EMPOWER CHILDREN AND THEIR FAMILIES TO BREAK FREE FROM EXTREME POVERTY.

Compassion UK has maintained its membership with the Fundraising Regulator and complied with the Code of Fundraising Practice and the Fundraising Promise. Additionally, members of relevant departments are also registered with the Institute of Fundraising.

Compassion UK's fundraising activities are conducted mainly by staff and volunteers. This primarily involves working in partnership with a wide range of stakeholders, including UK churches and Christian events and festivals. Due to the COVID-19 pandemic, events have been held online, and a 'Compassion Moment' is featured, which showcases our work and inspires people across the country to help a child step out of poverty through sponsorship.

Additionally, Compassion has public-facing touchpoints, such as our website, which promotes opportunities to sponsor a child, donate to our work and support our emergency appeals and other fundraising campaigns.

Compassion has a number of supporters who undertake fundraising activities either on our behalf or through their own initiative. We have also taken reasonable steps to monitor and review fundraising activities undertaken by third party organisations acting on our behalf, including applying robust due diligence procedures; reviewing agreements and contractual clauses in relation to compliance with the Code of Fundraising Practice; and performance reviews.

Compassion UK does not engage professional fundraisers but has agreements with Commercial Participators that are long-standing corporate partners of the ministry.

During the year, we kept abreast of updates from the Fundraising Regulator, including fundraising reporting requirements guidance and safe and responsible public fundraising during the COVID-19 pandemic.

Compassion UK's Supporter Charter is available on our website and outlines our procedures for handling complaints. In the 2020-2021 financial year, we received 28 fundraising complaints. All complaints were treated seriously, and prompt actions were taken to resolve these satisfactorily. The trustees and senior leadership continue to review complaints as a standing agenda item at their meetings. This includes reviewing lessons learnt, which are used to inform future training needs or procedure reviews.

When conducting our direct marketing activities, we remain committed to:

- offering choice and control to personalise permissions and preferences to hear about our work;
- ensuring we have robust data protection and privacy policies;
- treating those who come into contact with our work respectfully and fairly.

We monitor opt-in numbers and communication channels that our supporters prefer. We are also signed up to the Fundraising Preference Service (FPS) and ensure any opt-out requests are actioned promptly. There were no FPS requests received in the last year.

Compassion UK's Policy on Supporters in Vulnerable Circumstances is publicly available on our website. We ensure everyone involved in fundraising activities is equipped to identify, interact and respond to our supporters who are in potentially vulnerable circumstances. We will always be mindful to respond appropriately to the particular needs of a supporter and ensure we have effective policies and procedures in place to treat them respectfully and fairly.

OUR ENVIRONMENT



NAPHAT, AGED 14, AND NATTHAPON, AGED 15, THAILAND
Naphat and Natthapon attend a youth development programme where they learn about conservation from local forest rangers.

People living in poverty are disproportionally harmed by climate issues. We want to do all we can to be part of the solution.

Through assessing our carbon footprint, we will monitor, reduce and offset our emissions to maintain our carbon neutral status. Previously, we created a baseline for our emissions, by measuring emissions from 1 July 2018- 30 June 2019, from which we now aim to improve. We then further calculated emissions for 1 July 2019 – 30 July 2020.

WE CONTINUE TO:

- Harness energy-efficient systems, such as solar panels and other technologies, in our offices.
- Offer paper-free experiences for supporters. We have identified this could save half a million printed documents each year.
- Reduce single-use plastic, for instance, using a biodegradable starch-based protective cover for our magazine.

DURING THE LAST YEAR:

- Emissions have decreased by 26.1%.
- Our most significant emissions are from air travel, accounting for 81% of our carbon footprint.
- The effects of the pandemic have dramatically reduced air travel emissions but increased the homeworker footprint.
- Offset carbon emmissions since July 2018.

GOING FORWARD, WE ARE COMMITTED TO:

- Further evaluating the effectiveness of virtual tours. As well as cutting our emissions, there are both money and time saving alternatives to actual project visits and have so far been a great success.
- Limiting the amount of air travel and selecting airlines based on sustainability credentials for necessary flights.
- Transferring the office from a 93% renewable tariff to a 100% renewable tariff.
- Offsetting the carbon emissions caused during future periods.

Our assessment showed that for July 2018 - June 2020, we had produced 1,682 tonnes CO_2. We have offset this through a tree-planting project in Kenya and the Amazon. This has enabled emission reductions and restored the water catchment and ecosystem. The project also seeks to empower women, who make up more than 50% of the team, and provide livelihoods for local people.

As we move forward, we are committed to reducing our environmental impact to ensure we do all we can to protect people and the planet.

Carbon Footprint Standard
Carbon Neutral Organisation

GOVERNING DOCUMENT

Compassion UK Christian Child Development is a company limited by guarantee and governed by its Articles of Association dated 24 February 1999. It is registered as a charity with the Charity Commission in England and Wales and the Office of the Scottish Charity Regulator. Members must accept and believe in the Compassion UK Statement of Faith. Each member agrees to contribute £10 in the event of the charity being wound up.

APPOINTMENT OF VOLUNTEER TRUSTEES

Every volunteer trustee must be a member. The chair of the volunteer trustees is a volunteer trustee elected by the volunteer trustees.

New volunteer trustees are elected by the existing volunteer trustees according to Charity Commission guidelines and ensuring that the Board has the appropriate balance of skills, experience, independence and knowledge to enable them to carry out their respective duties and responsibilities.

VOLUNTEER TRUSTEE INDUCTION AND TRAINING

Volunteer trustees are given training and documentation to brief them on their legal obligations under charity and company law, the content of the Articles of Association, the decision-making process, the business plan and the recent financial performance of the charity. Every three to four years, all volunteer trustees visit one of the countries where Compassion works to see the programmes first-hand.

ORGANISATION

The Board of volunteer trustees must have at least three members and is responsible for setting strategies and policies and ensuring that these are implemented.

All volunteer trustees give their time, freely and no volunteer trustee remuneration was paid in the year. Details of volunteer trustee expenses and related party transactions are disclosed in notes 9.11 and 9.18 to the accounts.

Volunteer trustees are required to disclose all relevant interests and, in accordance with the volunteer trustees' policy, withdraw from decisions where a conflict of interest arises.

The volunteer trustees conduct an annual Board review to evaluate performance against the principles set out in the Charity Governance Code. The evaluation report is used to identify and explain areas of strength and areas for development. We have established procedures that ensure actions to implement the Code's principles are reviewed routinely at each Board meeting to ensure ongoing accountability.

There is a Finance and Audit Sub-Committee that exists to provide support and advice to the Board in its governance role in respect of finance and audit issues. The committee is appointed by the Board with no less than four members, with a minimum of two members of the committee being members of the Board and the balance, Compassion UK staff. The committee meets at least three times a year.

The Board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. The Board maintains sound risk management and internal control systems.

Approximately every three years the Board will use market data to conduct job evaluations for all roles and benchmark all staff salaries to ensure that salaries are fair and in line with other organisations in the charity sector. In the intervening periods, percentage increases are evaluated annually based on Compassion's performance, and external factors and these are agreed at Board level.

Public Indeminty Insurance is provided by Compassion UK for trustees

CONNECTED CHARITIES

COMPASSION INTERNATIONAL

We are a member of the Compassion Global Partner Alliance, consisting of organisations throughout the world with a mutual commitment of purpose, structure and methodology. In order to be as effective as possible, the delivery of help to children in beneficiary countries is coordinated and implemented centrally through Compassion International.

Fundraising partner countries transfer funds raised to Compassion International which are then used to support programmes in the 25 frontline field countries. Grants paid to Compassion International cover the grants to the frontline church partners and running the field country and regional offices, as well as programme costs at Compassion International as this is the most efficient way to distribute funds.

COMPASSION IRELAND

We have an agreement to provide support services to Compassion Ireland for a fixed fee of 12% of all donations received. This excludes gifts and appeals, of which 100% is sent to Compassion International.

4. TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The trustees (who are also the directors of Compassion UK Christian Child Development for the purposes of company law), are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the income and expenditure of the charity for that period.

In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities Statement Of Recommended Practice (SORP);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO THE AUDITORS

Each of the persons who is a trustee at the date of approval of this report confirms:

- That in so far as they are aware there is no relevant audit information of which the charity's auditor is unaware; and
- Each trustee has taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

AUDITOR

Menzies LLP are deemed to be re-appointed under section 487 [2] of the Companies Act 2006.

STRATEGIC REPORT

The company has chosen in accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out within the Strategic Report the Company's Strategic Report Information required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review and details of the principal risks and uncertainties.

The Trustees' Report (incorporating the Strategic Report) was approved by the Board of Trustees (which is also the Board of Directors) on 29 October 2021 and signed on its behalf by Jon Toohey (Chair).

On behalf of the Board



Jon Toohey (Chair)
Dated 29 October 2021

5. INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMPASSION UK CHRISTIAN CHILD DEVELOPMENT

OPINION

We have audited the financial statements of Compassion UK Christian Child Development (the 'charitable company') for the year ended 30 June 2021 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2021, and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the trustees' responsibilities statement set out on page 38, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- The charitable company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We determined that the following laws and regulations were most significant including the Companies Act 2006, Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Safeguarding Vulnerable Groups Act 2006, GDPR and the UK Code of Fundraising Practice. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.
- We understood how the charitable company is complying with those legal and regulatory frameworks by making inquiries to management, those responsible for legal and compliance procedures and the company secretary. We corroborated our inquiries through our review of board minutes.
- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. The assessment did not identify any issues in this area.
- We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur. As a result of the above procedures, we considered that the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the posting of fraudulent journal entries, fictitious employees and timing of revenue recognition.

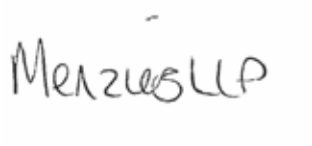
- Audit procedures performed by the engagement team included:
  - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
  - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
  - Challenging assumptions and judgments made by management in its significant accounting estimates;
  - Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;
  - Carrying out checks to establish the validity of employees, and
  - Reviewing and verifying the basis on which income is recognised in the accounts

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx.

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Janice Matthews FCA, Senior Statutory Auditor

For and on behalf of Menzies LLP, Statutory Auditor

Chartered Accountants
Statutory Auditor
Centrum House
36 Station Road
Egham
Surrey
TW20 9LF

Dated:
xx/10/2021

Menzies LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.



GIMENA, AGED 13, HONDURAS
While Gimena comes from a rural community where education levels are low, she has excelled in mathematics. She discovered a love for maths at her Compassion project, and now competes nationally.

Financial STATEMENTS

6: STATEMENT OF FINANCIAL ACTIVITY

(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

		FOR THE YEAR ENDED 30 JUNE 2021				FOR THE YEAR ENDED 30 JUNE 2020			
	NOTE	RESTRICTED FUNDS	DESIGNATED FUNDS MOST NEEDED	GENERAL FUNDS	TOTAL FUNDS 2021	RESTRICTED FUNDS	DESIGNATED FUNDS MOST NEEDED	GENERAL FUNDS	TOTAL FUNDS 2020
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
INCOME FROM									
Donations & Legacies	9.5a	33,410	7,619	9,152	**50,181**	31,118	6,590	8,419	**46,127**
Grants	9.5b	322	-	280	**602**	158	-	264	**422**
TOTAL VOLUNTARY INCOME		**33,732**	**7,619**	**9,432**	**50,783**	31,276	6,590	8,683	**46,549**
Charitable activities	9.6	-	-	61	**61**	-	-	221	**221**
Interest		-	-	1	**1**	-	-	15	**15**
Profit/(Loss) on disposal of assets		-	-	(9)	**(9)**	-	-	24	**24**
TOTAL INCOME		**33,732**	**7,619**	**9,485**	**50,836**	31,276	6,590	8,943	**46,809**
EXPENDITURE ON									
Raising Funds	9.7	-	-	3,576	**3,576**	-	-	5,577	**5,577**
Charitable activities	9.8	33,874	7,968	3,483	**45,325**	31,326	6,348	3,153	**40,827**
TOTAL EXPENDITURE		**33,874**	**7,968**	**7,059**	**48,901**	31,326	6,348	8,730	**46,404**
NET MOVEMENT IN FUNDS		**(142)**	**(349)**	**2,426**	**1,935**	**(50)**	**242**	**213**	**405**
RECONCILLIATION OF FUNDS									
Total Funds Brought Forward		1,138	442	4,188	**5,768**	1,188	200	3,975	**5,363**
TOTAL FUNDS CARRIED FORWARD		**996**	**93**	**6,614**	**7,703**	**1,138**	**442**	**4,188**	**5,768**

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenses derive from continuing activities.

TREATMENT OF RESTRICTED, DESIGNATED AND GENERAL FUNDS

Where appropriate in the financial statements, income, expenditure and reserves are classified as restricted, designated or general funds. The income and expenditure are shown after restrictions have been applied.

For example, a donation which is 80% restricted will be classified as 80% restricted income and 20% as general income. If Gift Aid was claimed on this donation, 80% would be classified as designated income, and the remaining 20% would be general income.

The definitions of restricted, designated and general funds can be found in the accounting policies note 9.1J, 9.1K and 9.1L.

7: BALANCE SHEET

	NOTE	AS AT 30 JUNE 2021	AS AT 30 JUNE 2020
		£'000	£'000
FIXED ASSETS			
Tangible assets	9.12	**3,847**	3,995
Intangible assets	9.12	**-**	1
TOTAL FIXED ASSETS		**3,847**	3,996
CURRENT ASSETS			
Debtors	9.13	**1,640**	1,137
Cash at bank and in hand		**3,891**	6,123
Current asset investment	9.14	**4,000**	-
TOTAL CURRENT ASSETS		**9,531**	7,260
LIABILITIES			
Creditors: Amounts falling due within one year	9.15	**(5,626)**	(5,436)
TOTAL LIABLITIES		**(5,626)**	(5,436)
NET CURRENT ASSETS		**3,905**	1,824
Total assets less current liabilities		**7,752**	5,820
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	9.16	**(49)**	(52)
TOTAL NET ASSETS		**7,703**	**5,768**
THE FUNDS OF THE CHARITY			
UNRESTRICTED FUNDS			
General Funds		**6,614**	4,188
Designated Funds: Most Needed Fund		**93**	442
TOTAL UNRESTRICTED FUNDS		**6,707**	4,630
Restricted income funds	9.18	**996**	1,138
TOTAL FUNDS CARRIED FORWARD		**7,703**	**5,768**

Approved by the Board on 29 October 2021 and signed on its behalf by Jon Toohey

Jon Toohey

Company Registration Number 03719092

8: CASHFLOW STATEMENT

	AS AT 30 JUNE 2021	AS AT 30 JUNE 2020
	£'000	£'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the reporting period (as reported in the Statement of Financial Activites)	1,935	405
ADJUSTMENTS FOR:		
Depreciation & Amortisation charges	168	214
(Profit)/Loss on the sale of fixed assets	9	(24)
Dividends, interest and rents from investments	(1)	(15)
Decrease/(Increase) in debtors	(503)	423
(Decrease)/Increase in creditors	187	1,423
Net cash provided by operating activities	1,795	2,426
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends, interest and rents from investments	1	15
Amount invested in short term investments	(4,000)	-
Purchase of fixed assets	(41)	(16)
Proceeds from the sale of fixed assets	13	27
Net cash provided by/(Used in) investment activities	(4,027)	26
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD	**(2,232)**	**2,452**

	AS AT 30 JUNE 2021	AS AT 30 JUNE 2020
	£'000	£'000
Cash in hand at beginning of period	6,123	3,671
Notice deposits (less than three months) at beginning of period	-	-
TOTAL CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**6,123**	**3,671**
Cash in hand at end of period	2,891	6,123
Notice deposits (less than three months) at end of period	1,000	-
TOTAL CASH AND CASH EQUIVALENTS AT END OF PERIOD	**3,891**	**6,123**
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD	**(2,232)**	**2,452**

ANALYSIS OF CHANGES IN NET DEBT

	AT START OF YEAR	CASH FLOWS	AT END OF YEAR
CASH	6,123	(3,232)	2,891
CASH EQUIVALENTS	-	1,000	1,000
OVERDRAFTS AND LOANS	-	-	-
TOTAL CHANGES IN NET DEBT	**6,123**	**(2,232)**	**3,891**

9: NOTES

9.1 ACCOUNTING POLICIES

Compassion UK Christian Child Development is a private charitable company limited by guarantee incorporated in England and Wales. The address of its registered office is set out on the final page, and a description of its principal activities is set out on page 7.

A) BASIS OF PREPARATION

The financial statements have been prepared under the historic cost convention. These accounts have been prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), Accounting and Reporting by Charities: Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2019.

The charity meets the definition of a public benefit entity under FRS 102. The reporting currency is GB Pounds Sterling and the accounts are rounded to the nearest thousand (£'000). The principal accounting policies adopted in the preparation of the financial statements are set out below.

The charity has adequate reserves and substantial recurring income. The Trustees therefore consider that the charity will be able to meet its commitments for at least twelve months from the date of approval of these financial statements and for the foreseeable future. The accounts are accordingly prepared on a Going Concern basis.

B) INCOME

This is included in the Statement of Financial Activities (SoFA) when:

- The charity becomes entitled to the resources;
- The trustees believe it is probable they will receive the income; and
- The monetary value can be measured with sufficient reliability.

100% of child gifts and appeal donations are restricted. 80% of all other donations received are restricted.

Restricted donations are granted to Compassion International.

Income that relates to a future period is carried forward as deferred income. An example of this would be where a sponsor pays child support a year in advance.

Income from Gift Aid reclaims is recognised in the SoFA when the donation is made. Where backdated Gift Aid claims have been made which relate to donations in a prior period, this has been recognised in the current period.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate.

Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income from government grants is recognised when there is evidence of entitlement to the grant, receipt is probable, and its amount can be measured reliably. Grants that are subject to conditions such as matched funding are only recognised once those conditions have been fulfilled.

Gifts in kind are accounted for at a reasonable estimate of their value to the charity or the amount actually realised.

Donated services and facilities are only included in income (with an equivalent amount in expenditure) where the benefit to the charity is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value to the charity of the service or facility received.

The value of any voluntary help received is not included in the accounts but is described in the Trustees' Annual Report.

Investment income is included in the accounts when receivable.

C) CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The main area of judgement is in relation to the allocation of central overhead costs between the various expenditure categories on the Statement of Financial Activities, the basis of which is set out in note 9.1(F).

Compassion makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. In the opinion of the trustees, the main estimate and assumption that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are in relation to the useful life of fixed assets, which are written-off in accordance with the depreciation policies set out in note 9.1(E).

D) FIXED ASSETS

Fixed assets are capitalised if they can be used for more than one year and cost at least £5,000. They are valued at cost on receipt.

E) DEPRECIATION AND AMORTISATION

Depreciation and amortisation are calculated to write off the cost of the assets brought into use less their residual value over their expected useful lives using the following rates:

- Computer equipment: 25% straight line
- Motor vehicles: 25% straight line
- Software: 25% straight line
- Furniture, fixtures and plant: 10% straight line
- Building structure: 2% straight line

Our assessment of our office valued the land at £1.3m. The rest of the structure, including the car park, is constructed from durable materials and has been estimated to have a useful life of 50 years.

F) EXPENDITURE

All expenditure is accounted for gross, and when incurred. Expenditure is included in the SoFA on an accruals basis and, because the charity is unable to recover any UK Value Added Tax paid, inclusive of that irrecoverable VAT. Expenditure includes the direct costs of the activities and depreciation on related assets.

Where such costs relate to more than one functional cost category, they have been split on an estimated time, floor space or other basis, as appropriate. A functional breakdown of expenditure is shown in notes 9.7 to 9.9.

Expenditure on Raising Funds are the direct costs and an appropriate allocation of support costs that were used to attract donations.

Expenditure on Charitable Activities include: monies remitted to Compassion International and other organisations in respect of child sponsorship income; costs of supporting and providing information and education to child sponsors, including a share of the costs of the charity's magazine; and other costs incurred directly in meeting the aims of the charity. Child grants include all monies paid to Compassion International and other organisations for the direct benefit of children.

Child Ministry and Advocacy Costs include all costs incurred in the ministry of children and raising awareness on their behalf.

This expenditure includes an appropriate allocation of support costs of central functions which have been allocated to activity cost categories on a basis consistent with the use of resources, for example by estimated staff time or floor space.

G) FOREIGN CURRENCIES

Assets, liabilities, revenues and expenditure in foreign currencies are translated into Sterling at the rates of exchange ruling on the date on which transactions occur, except for monetary assets and liabilities which are translated at the rate ruling at the balance sheet date where material. Transactions to be settled at a contracted rate and trading transactions covered by a related or matching forward contract are translated at those contracted rates. Differences arising on the translation of such items are dealt with in the SoFA.

H) GRANTS

Grants payable are recognised as expenditure when the commitment is entered into. Where such a grant is to be paid over instalments, the outstanding balance is disclosed as a liability.

I) OPERATING LEASES

Rentals payable under operating leases are charged to the SoFA on a straight-line basis over the period of the lease.

J) GENERAL FUNDS

General funds are funds available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

K) DESIGNATED FUNDS

Designated funds are unrestricted funds that have been set aside at the discretion of the trustees for a specific, but not legally binding, purpose.

L) RESTRICTED FUNDS

Restricted funds are income received for a particular purpose as specified by the donor or supplier, less expenditure applied for such a purpose.

M) PENSION COSTS

Compassion UK operates a money purchase pension scheme whereby it pays eligible staff defined contributions into the charity pension scheme. The contributions are charged to the Statement of Financial Activities as they become payable and the charity's liability is limited to the amount of the contributions.

N) LIABILITIES

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

O) FINANCIAL INSTRUMENTS

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, and loans to related parties.

P) CURRENT ASSET INVESTMENTS

Current asset investments are investments which the charity holds with a maturity date of less than one year.

9.2 LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.

9.3 COMPASSION CHARITIES

COMPASSION INTERNATIONAL

The charity has a committment to donors that 80% of monies received from child sponsorship and other child grants are transferred to Compassion International in the USA, who administer the distribution of funds for the benefit of each child on behalf of the charity (and other Compassion partners).

The amount of these funds granted during the year was £38,896,000 [FY20 £34,749,000] of which £3,721,000 [FY20 £4,137,000] was owed at the year-end and a further £451,000 [FY20 £110,000] was accrued. The outstanding amount represents the June 2021 grant and was transferred to Compassion International after the year-end.

The UK charity is actively involved in the overall administration of the support given to children and in the decisions made by the international partnership of Compassion charities.

Compassional International paid expenses of £20,000 [FY20 £140,000] to Compassion UK. Compassion UK paid expenses of £29,000 [FY20 £74,000] to Compassion International.

COMPASSION IRELAND

During the year Compassion Ireland's administration requirements have been undertaken for a fixed fee of 12% of donations received, excluding gifts and appeals.

During the year £63,000 [FY20 £62,000] was received in income from servicing Compassion Ireland and costs were £86,000 [FY20 £68,000] and no grant was made to Compassion Ireland [FY20 £18,000]. The intercompany balance owing by Compassion Ireland is £36,000 [FY20 £128,000].

Compassion UK board member, Ken Morgan, sat on the Compassion Irish board.

9.4 NET MOVEMENT IN RESOURCES FOR THE YEAR

	FOR THE YEAR ENDED 30 JUNE 2021	FOR THE YEAR ENDED 30 JUNE 2020
	£'000	£'000
Depreciation and amortisation of fixed assets	168	214
(Profit)/Loss on disposal of fixed assets	9	24
Annual audit fees	26	17
Other fees paid to Auditor for advice/consultancy etc	4	-
Foreign exchange (gains)/losses	(39)	(3)

9.5a DONATIONS AND LEGACIES

	FOR THE YEAR ENDED 30 JUNE 2021				FOR THE YEAR ENDED 30 JUNE 2020			
	RESTRICTED FUNDS	DESIGNATED FUNDS MOST NEEDED	GENERAL FUNDS	TOTAL FUNDS 2021	RESTRICTED FUNDS	DESIGNATED FUNDS MOST NEEDED	GENERAL FUNDS	TOTAL FUNDS 2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
MINIMUM 80% RESTRICTED								
Child Sponsorship	27,531	-	6,883	**34,414**	25,795	-	6,449	**32,244**
Unsponsored Children	86	-	22	**108**	88	-	22	**110**
Interventions	596	-	144	**740**	637	-	150	**787**
Sponsorship Plus	480	-	114	**594**	453	-	107	**560**
Child Survival Programme	261	-	65	**326**	192	-	23	**215**
HIV/Aids Fund	68	-	17	**85**	73	-	18	**91**
Other Restricted Donations	-	-	-	**-**	2	-	-	**2**
100% RESTRICTED								
Gifts for children and families	2,700	-	-	**2,700**	2,092	-	-	**2,092**
Gifts for projects	307	-	-	**307**	221	-	-	**221**
Christmas Appeal	906	-	-	**906**	864	-	-	**864**
Disaster Relief	475	-	-	**475**	701	-	-	**701**
MINIMUM 80% DESIGNATED								
Gift Aid	-	6,820	1,705	**8,525**	-	6,079	1,520	**7,599**
General unrestricted income	-	799	200	**999**	-	511	128	**639**
OTHER DONATIONS								
Other Donations	-	-	2	**2**	-	-	2	**2**
TOTAL	**33,410**	**7,619**	**9,152**	**50,181**	**31,118**	**6,590**	**8,419**	**46,127**

Included in the figure above is legacy income of £320,000 (FY20 £151,000).

9.5b GRANTS RECEIVED

	FOR THE YEAR ENDED 30 JUNE 2021				FOR THE YEAR ENDED 30 JUNE 2020			
-	RESTRICTED FUNDS	DESIGNATED FUNDS MOST NEEDED	GENERAL FUNDS	TOTAL FUNDS 2021	RESTRICTED FUNDS	DESIGNATED FUNDS MOST NEEDED	GENERAL FUNDS	TOTAL FUNDS 2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
FCDO Grant	322	-	-	**322**	158	-	-	**158**
Job Retention Scheme	-	-	280	**280**	-	-	264	**264**
TOTAL	**322**	**-**	**280**	**602**	**158**	**-**	**264**	**422**

FCDO Grant: A UK government matched funding grant providing pre and post-natal care for mothers and babies in Togo.

Job Retention Scheme: A UK government grant paying part of the salaries of employees furloughed because of coronavirus. Compassion is grateful for this support and made use of the scheme to retain trained staff who were temporarily unable to perform their duties due to COVID-19 restrictions.

9.6 CHARITABLE ACTIVITIES

	FOR THE YEAR ENDED 30 JUNE 2021	FOR THE YEAR ENDED 30 JUNE 2020
	£'000	£'000
Compassion Ireland Service Income	63	62
Field Experience Income/(Refunds)	(4)	147
Other	2	12
TOTAL	61	221

Sponsors normally have the opportunity to visit projects and their sponsored children on a Compassion Insight Trip. Field Experience income represents fees paid for trips which took place in the period. No trips have taken place since COVID-19 became a worldwide pandemic.

9.7 EXPENDITURE ON RAISING FUNDS

	NOTE	FOR THE YEAR ENDED 30 JUNE 2021	FOR THE YEAR ENDED 30 JUNE 2020
		£'000	£'000
Direct Costs Excluding Staff		1,104	2,892
Direct Staff Costs		1,531	1,830
Apportioned Support costs	9.9	941	855
TOTAL		3,576	5,577

9.8 EXPENDITURE ON CHARITABLE ACTIVITIES

		FOR THE YEAR ENDED 30 JUNE 2021				FOR THE YEAR ENDED 30 JUNE 2020			
	NOTE	RESTRICTED FUNDS	DESIGNATED FUNDS MOST NEEDED	GENERAL FUNDS	TOTAL	RESTRICTED FUNDS	DESIGNATED FUNDS MOST NEEDED	GENERAL FUNDS	TOTAL
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Grant making	9.8a	33,874	5,102	633	39,609	31,326	3,667	557	35,550
Child Ministry Costs	9.8b	-	2,866	2,435	5,301	-	2,681	2,022	4,703
Compassion Ireland		-	-	86	86	-	-	68	68
Field Experience	9.8c	-	-	48	48	-	-	243	243
Furloughed Staff Salaries		-	-	281	281	-	-	263	263
TOTAL CHARITABLE EXPENDITURE		33,874	7,968	3,483	45,325	31,326	6,348	3,153	40,827

9.8a GRANT MAKING

	NOTE	FOR THE YEAR ENDED 30 JUNE 2021 RESTRICTED FUNDS £'000	DESIGNATED FUNDS MOST NEEDED £'000	GENERAL FUNDS £'000	TOTAL £'000	FOR THE YEAR ENDED 30 JUNE 2020 RESTRICTED FUNDS £'000	DESIGNATED FUNDS MOST NEEDED £'000	GENERAL FUNDS £'000	TOTAL £'000
Child Sponsorship		27,531	-	-	27,531	25,797	1,292	-	27,089
Unsponsored Children		86	1,854	-	1,940	88	-	-	88
Project Sponsorship		-	135	-	67	-	-	-	-
Gifts for Children and Families		2,700	9	-	2,709	2,097	2	-	2,099
Gifts for Projects		305	-	-	305	221	-	-	221
Christmas Appeal		906	-	-	906	865	-	-	865
Interventions		697	29	-	726	370	318	-	688
Disaster Relief		568	3,069	-	3,637	1,425	1,867	-	3,292
Child Survival Interventions		691	-	-	691	230	-	-	230
FCDO Child Survival Grant - Togo		248	-	-	248	103	-	-	103
HIV/Aids Funds		68	-	-	68	73	-	-	73
Other Funds		-	-	-	-	2	-	-	2
TOTAL CHILD GRANTS TO COMPASSION INTERNATIONAL	(i)	**33,800**	**5,096**	**-**	**38,896**	**31,271**	**3,479**	**-**	**34,750**
Compassion Ireland Grant		-	-	-	-	-	-	18	18
Compassion Norden and Germany Grants		-	-	25	25	-	-	33	33
Other Grants	(ii)	-	6	-	6	-	188	-	188
TOTAL GRANTS		**33,800**	**5,102**	**25**	**38,927**	**31,271**	**3,667**	**51**	**34,989**
Grant making support costs	9.9	-	-	608	608	-	-	506	506
FCDO Child Survival Grant - Togo	9.9	74	-	-	74	55	-	-	55
TOTAL COSTS OF GRANT MAKING		**33,874**	**5,102**	**633**	**39,609**	**31,326**	**3,667**	**557**	**35,550**

(i) Direct costs for child support and other child grants are grants for the benefit of children. Grants paid to Compassion International cover the grants to the projects, costs to run the field country and regional offices as well as programme costs at Compassion International.

(ii) Other grants include grants to organisations that support Compassion's mission.

9.8b CHILD MINISTRY COSTS

		FOR THE YEAR ENDED 30 JUNE 2021 RESTRICTED FUNDS £'000	DESIGNATED FUNDS MOST NEEDED £'000	GENERAL FUNDS £'000	TOTAL £'000	FOR THE YEAR ENDED 30 JUNE 2020 RESTRICTED FUNDS £'000	DESIGNATED FUNDS MOST NEEDED £'000	GENERAL FUNDS £'000	TOTAL £'000
Child Ministry Costs	(iii)	-	2,866	-	**2,866**	-	2,681	-	2,681
Child Ministry Support Costs	9.9	-	-	2,435	**2,435**	-	-	2,022	2,022
TOTAL CHILD MINISTRY COSTS		**-**	**2,866**	**2,435**	**5,301**	**-**	**2,681**	**2,022**	**4,703**

(iii) Direct costs for child ministry are costs of supporting and providing information to child sponsors. This includes child letter postage and the proportion of facilities, IT and staff time allocated to supporting the relationship between the sponsor and the child.

9.8c FIELD EXPERIENCE COSTS

		FOR THE YEAR ENDED 30 JUNE 2021				FOR THE YEAR ENDED 30 JUNE 2020			
		RESTRICTED FUNDS	DESIGNATED FUNDS MOST NEEDED	GENERAL FUNDS	TOTAL	RESTRICTED FUNDS	DESIGNATED FUNDS MOST NEEDED	GENERAL FUNDS	TOTAL
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Field Experience Direct Costs		-	-	-	-	-	-	157	157
Field Experience Support Costs	9.9	-	-	48	48	-	-	86	86
TOTAL FIELD EXPERIENCE COSTS		-	-	48	48	-	-	243	243

Sponsors normally have the opportunity to visit projects and their sponsored children on Compassion Insight Trips. No trips have taken place since COVID-19 became a worldwide pandemic.

9.9 ANALYSIS OF SUPPORT COSTS

FOR THE YEAR ENDED 30 JUNE 2021

	RAISING FUNDS	GRANT MAKING	CHILD MINISTRY	FIELD EXPERIENCE	ADMINISTERING FCDO GRANT	TOTAL SUPPORT COSTS
	£'000	£'000	£'000	£'000	£'000	£'000
Facilities management	77	20	81	10	3	191
Information technology	281	190	758	11	23	1,263
Operations and finance	133	59	236	2	8	438
Support salaries	439	320	1,281	25	38	2,103
Audit and accounting fees	-	5	21	-	-	26
Governance and compliance	11	14	58	-	2	85
	941	608	2,435	48	74	4,106

FOR THE YEAR ENDED 30 JUNE 2020

	RAISING FUNDS	GRANT MAKING	CHILD MINISTRY	FIELD EXPERIENCE	ADMINISTERING FCDO GRANT	FIELD EXPERIENCE
	£'000	£'000	£'000	£'000	£'000	£'000
Facilities management	98	24	91	15	4	232
Information technology	260	107	429	20	13	829
Operations and finance	80	64	256	1	6	407
Support salaries	417	300	1,198	50	31	1,996
Audit and accounting fees	-	3	14	-	-	17
Governance and compliance	-	8	34	-	1	43
	855	506	2,022	86	55	3,524

All support costs are paid from unrestricted funds. Total support costs are allocated on the basis of staff time attributable to that cost centre.

9.10 STAFF COSTS

	FOR THE YEAR ENDED 30 JUNE 2021	FOR THE YEAR ENDED 30 JUNE 2020
	£'000	£'000
Wages and salaries	4,208	4,184
Payments to defined contribution pension schemes	444	439
Social security costs	420	438
Health insurance and other HR costs	102	124
	5,174	**5,185**
Job Retention Scheme Grant Income	280	264

	FOR THE YEAR ENDED 30 JUNE 2021	FOR THE YEAR ENDED 30 JUNE 2020
	FTE	FTE
Management	5	5
Support and administration	27	27
Supporter relations	40	33
Fundraising and communications	57	58
Grant Management	1	1
	130	**124**
Percentage increase in staffing levels	5%	24%

	FOR THE YEAR ENDED 30 JUNE 2021	FOR THE YEAR ENDED 30 JUNE 2020
AVERAGE NUMBER OF EMPLOYEES (HEADCOUNT)	152	152
THE NUMBER OF EMPLOYEES WHOSE REMUNERATION FOR THE PERIOD FELL WITHIN THE FOLLOWING BANDS:		
£60k up to £70K	3	3
£70k up to £80K	2	1
£100K up to £110K	1	1

Compassion is grateful to have received funds from the Job Retention Scheme which were used to pay the salaries of staff who were temporarily unable to perform their duties due to COVID-19 restrictions.

- Pension contributions of £44,000 [FY20: £37,000] were made during the year for the above higher paid staff.
- The company operates a defined contribution pension scheme on behalf of its employees. The pension charge for the year was £434,000 [FY20: £369,000], of which £40,000 [FY20: £42,000] was payable at the year end.
- The five key management personnel are listed on page 32. The total employee remuneration, including National Insurance and benefits, of the key management personnel of the charity was £469,000 [FY20 £461,000].
- During the year £3,000 [FY20 £29,000] of redundancy costs were incurred.

9.11 TRUSTEES' REMUNERATION

No Trustees remuneration was voted during the year.

No Trustees expenses were paid in the year (FY20 £1,400).

The total premiums paid for trustee indemnity insurance in the year were £1,000 (FY20 £1,000).

9.12 FIXED ASSETS

	TANGIBLE ASSETS					INTANGIBLE ASSETS
	FURNITURE, FIXTURES AND PLANT	COMPUTER HARDWARE	MOTOR VEHICLES	FREEHOLD PROPERTY	TOTAL	COMPUTER SOFTWARE
	£'000	£'000	£'000	£'000	£'000	£'000
COST						
Balance at 1 July 2020	412	319	62	3,656	4,449	1,245
Additions for the year	-	-	41	-	41	-
Disposals for the year	(26)	(22)	(62)	-	(110)	(2)
BALANCE AT 30 JUNE 2021	**386**	**297**	**41**	**3,656**	**4,380**	**1,243**
DEPRECIATION/AMORTISATION						
Balance at 1 July 2020	120	184	41	109	454	1,244
Disposals for the year	(25)	(22)	(41)	-	(88)	(2)
Depreciation for the year	41	71	3	52	167	1
BALANCE AT 30 JUNE 2021	**136**	**233**	**3**	**161**	**533**	**1,243**
NET BOOK VALUE						
At 1 July 2020	292	135	21	3,547	3,995	1
At 30 June 2021	250	64	38	3,495	3,847	-

9.13 DEBTORS

	AS AT 30 JUNE 2021	AS AT 30 JUNE 2020
	£'000	£'000
Compassion Ireland	**36**	128
Gift Aid reclaimable	**1,150**	440
Other debtors and grants receivable	**77**	337
Prepayments	**377**	232
	1,640	**1,137**

9.14 CURRENT ASSET INVESTMENTS

	AT 30 JUNE 2021	AT 30 JUNE 2020
	£'000	£'000
Cash held on 95 day deposit	**4,000**	-
	4,000	**-**

9.15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

		AS AT 30 JUNE 2021	AS AT 30 JUNE 2020
		£'000	£'000
Compassion International		3,722	4,137
Deferred income	9.17	193	163
Trade creditors		546	516
Accruals		1,025	472
Other taxation and social security		99	106
Pension contributions outstanding		41	42
		5,626	5,436

9.16 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

		AS AT 30 JUNE 2021	AS AT 30 JUNE 2020
		£'000	£'000
Deferred income	9.17	49	52

9.17 DEFERRED INCOME

	AS AT 30 JUNE 2021	AS AT 30 JUNE 2020
	£'000	£'000
DEFERRED INCOME BROUGHT FORWARD	215	213
Deferred income released in the year	(163)	(151)
Income deferred in the year	190	153
DEFERRED INCOME CARRIED FORWARD	242	215

Deferred income represents child sponsorship received in advance

9.18 RESTRICTED FUNDS

	BALANCE AT 1 JULY 20 £'000	RESTRICTED INCOME £'000	TRANSFER £'000	RESTRICTED EXPENDITURE £'000	BALANCE AT 30 JUNE 21 £'000
Child Sponsorship	-	27,531	-	(27,531)	-
Unsponsored Children	-	86	-	(86)	-
Gifts for Children and Families	-	2,700	-	(2,700)	-
Gifts for Projects	-	307	-	(305)	2
Christmas Appeal	-	906	-	(906)	-
Interventions	295	596	(93)	(697)	101
Disaster Relief	-	475	293	(568)	200
Child Survival Programme	843	261	280	(691)	693
FCDO Child Survival Grant - Togo	-	322	-	(322)	-
HIV/Aids Funds	-	68	-	(68)	-
Sponsorship Plus	-	480	(480)	-	-
TOTAL	**1,138**	**33,732**	**-**	**(33,874)**	**996**

	BALANCE AT 1 JULY 19 £'000	RESTRICTED INCOME £'000	TRANSFER £'000	RESTRICTED EXPENDITURE £'000	BALANCE AT 30 JUNE 20 £'000
Child Sponsorship	2	25,795	-	(25,797)	-
Unsponsored Children	-	88	-	(88)	-
Gifts for Children and Families	5	2,092	-	(2,097)	-
Project Gifts	-	221	-	(221)	-
Christmas Appeal	1	864	-	(865)	-
Interventions	280	637	(252)	(370)	295
Disaster Relief	19	701	705	(1,425)	-
Child Survival Programme	881	192	-	(230)	843
FCDO Child Survival Grant - Togo	-	158	-	(158)	-
Leadership Development Programme	-	2	-	(2)	-
HIV/Aids Fund	-	73	-	(73)	-
Sponsorship Plus	-	453	(453)	-	-
TOTAL	**1,188**	**31,276**	**-**	**(31,326)**	**1,138**

PURPOSE OF RESTRICTED FUNDS

CHILD SUPPORT
To relieve poverty amongst sponsored children.

UNSPONSORED CHILDREN
To support children registered in the programme, but awaiting sponsorship.

GIFTS FOR CHILDREN AND FAMILIES
To bless the child or their family with additional gifts.

GIFTS FOR PROJECTS
To bless a church project with additional resources.

CHRISTMAS APPEAL
To provide a present and a celebration for each child.

INTERVENTIONS
To meet vital needs outside of what sponsorship covers. £93,000 of grants made in prior years were funded by donors in the year. This released funds that were repurposed for disaster relief.

DISASTER RELIEF
Critical relief for sponsored children and their projects, including reconstruction.

CHILD SURVIVAL INTERVENTIONS
Pre and post-natal care for mothers and babies.

HIV AND AIDS FUND
To support sponsored children and their families affected by HIV and AIDS.

SPONSORSHIP PLUS
Additional support for beneficiaries. To address critical needs of children around the world, including Child Survival Interventions, medical emergencies, disaster relief and preventative health. During the year £480,000 was transferred to other appropriate restricted funds. £200,000 was transferred to disaster relief and £280,000 to child survival.

FCDO CHILD SURVIVAL GRANT TOGO
Pre and post-natal care for mothers and babies and UK costs of administering the grant.

9.19 RELATED PARTY TRANSACTIONS

During the year there were no related party transactions.

9.20 LEASING COMMITMENTS

At 30 June 2021 the total of the charity's future minimum lease payments under non-cancellable operating leases was:

	AS AT 30 JUNE 2020			AS AT 30 JUNE 2021		
	CARS	OTHER	TOTAL	CARS	OTHER	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000
Less than one year	47	12	**59**	44	16	**60**
Two to five years	40	5	**45**	54	17	**71**
Greater than five years	-	-	**-**	-	-	**-**
	87	**17**	**104**	**98**	**33**	**131**

During FY20 some ordinarily non-cancellable operating leases were ended with mutual agreement due to the COVID-19 pandemic.

During the year, £61,000 of lease payments were recognised as an expense [FY20 £773,000].

9.21 ANALYSIS OF NET ASSETS BETWEEN FUNDS

This analysis shows the fund balances at year-end split into tangible fixed assets and net current assets. The analysis also shows the Restricted and Unrestricted Funds in these categories.

	AS AT 30 JUNE 2021				AS AT 30 JUNE 2020			
	FIXED ASSETS	NET CURRENT ASSETS	LIABILITIES FALLING DUE AFTER 1 YEAR	TOTAL 2021	FIXED ASSETS	NET CURRENT ASSETS	LIABILITIES FALLING DUE AFTER 1 YEAR	TOTAL 2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Restricted Funds	-	996	-	**996**	-	1,138	-	**1,138**
Designated Funds Most Needed	-	93	-	**93**	-	442	-	**442**
General Funds	3,847	2,816	(49)	**6,614**	3,996	244	(52)	**4,188**
	3,847	**3,905**	**(49)**	**7,703**	**3,996**	**1,824**	**(52)**	**5,768**

9.22 TAXATION

Compassion UK is a charity and is entitled, for the current year, to the exemptions provided by Chapter 3 of Part 11 of the Corporation Tax Act 2010. As a consequence, no provision for taxation is regarded as necessary.

REFERENCES AND ADMINISTRATIVE DETAILS

REGISTERED CHARITY NO. 1077216 (ENGLAND AND WALES)
SC045059 (SCOTLAND) COMPANY NUMBER 03719092

COMPANY SECRETARY
Amy Hiorns (née Carter)

REGISTERED AND PRINCIPAL OFFICE
Compassion House, Barley Way, Fleet, GU51 2UT

AUDITORS
Menzies LLP, Centrum House, Station Road, Egham, TW20 9LF

SOLICITORS
Barlow Robbins LLP, The Oriel, Sydenham Road, Guildford, Surrey, GU1 3SR

BANKERS
Barclays Bank PLC
Tunbridge Wells Group


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