

# Annual Report

AND FINANCIAL STATEMENTS 2023/2024



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2023/2024

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**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



# 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.

# 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



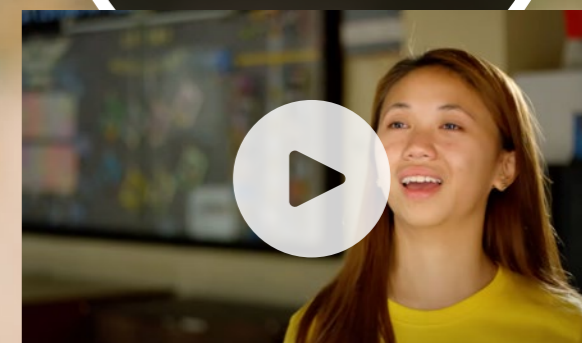
### CHILD SURVIVAL

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.

# STEWARDED 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.

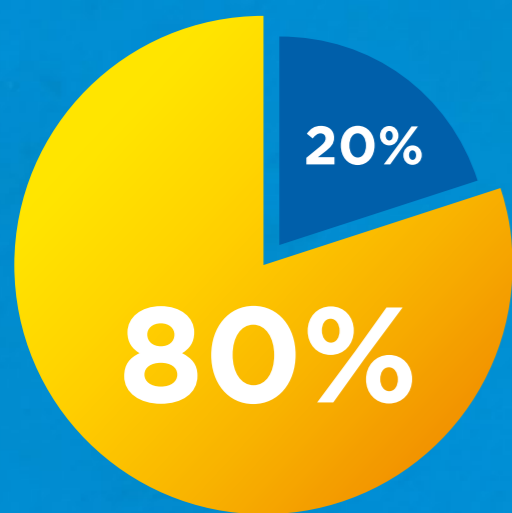
£25.60 enables us to give your sponsored child access to Compassion's highly effective child development programme. It empowers the child you support to overcome poverty holistically and sustainably.

## 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.



## Your donation...



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



Healthy meals

and additional nutritional support where needed.

Christ-centred guidance

through the local church to overcome fear and hopelessness.

Vocational training

to equip for the future.

Lessons at the project

on 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, feminine hygiene products and other necessities.

School resources and uniforms

to defeat illiteracy and provide critical skills.

One-to-one relationship with their only sponsor

Letter translation and delivery is such an important part of our programme. Time and again, Compassion graduates tell us that affirming words from their sponsors brought hope and equipped them for the future.

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 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.

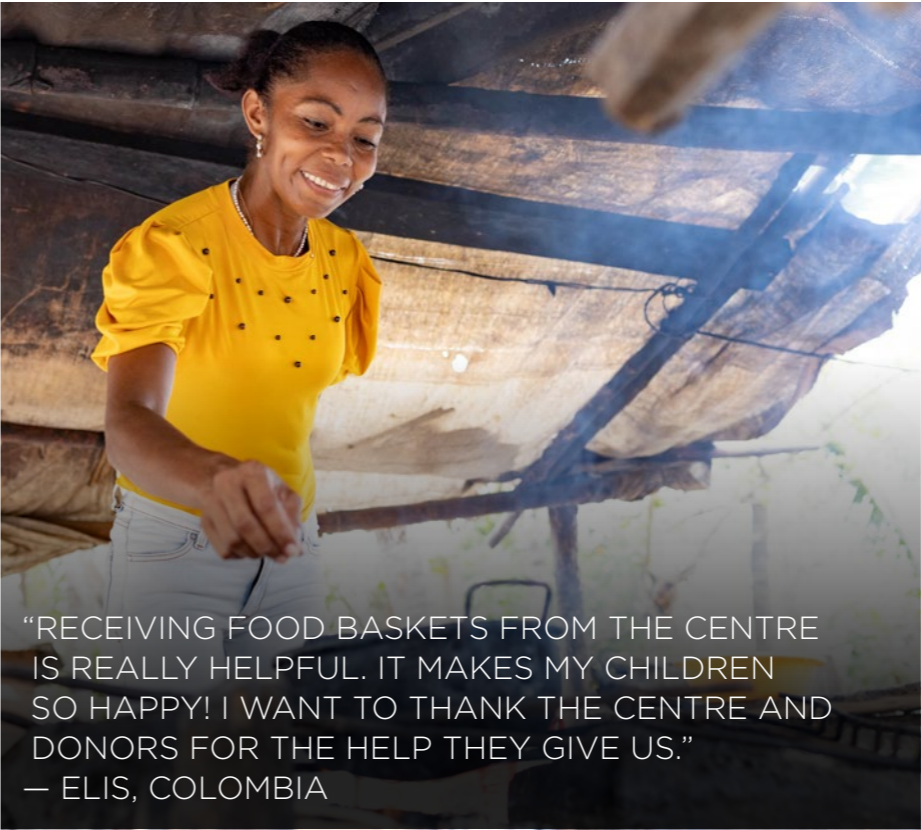
**KENYA**  
Kenya has experienced prolonged seasons of heavy rainfall caused by the El Niño climatic phenomenon. Countrywide, an estimated 120 people have lost their lives and almost 90,000 people have been displaced. Thousands of homes have been washed away or marooned by floods, while farmlands have 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.



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



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



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

# Strategic REPORT

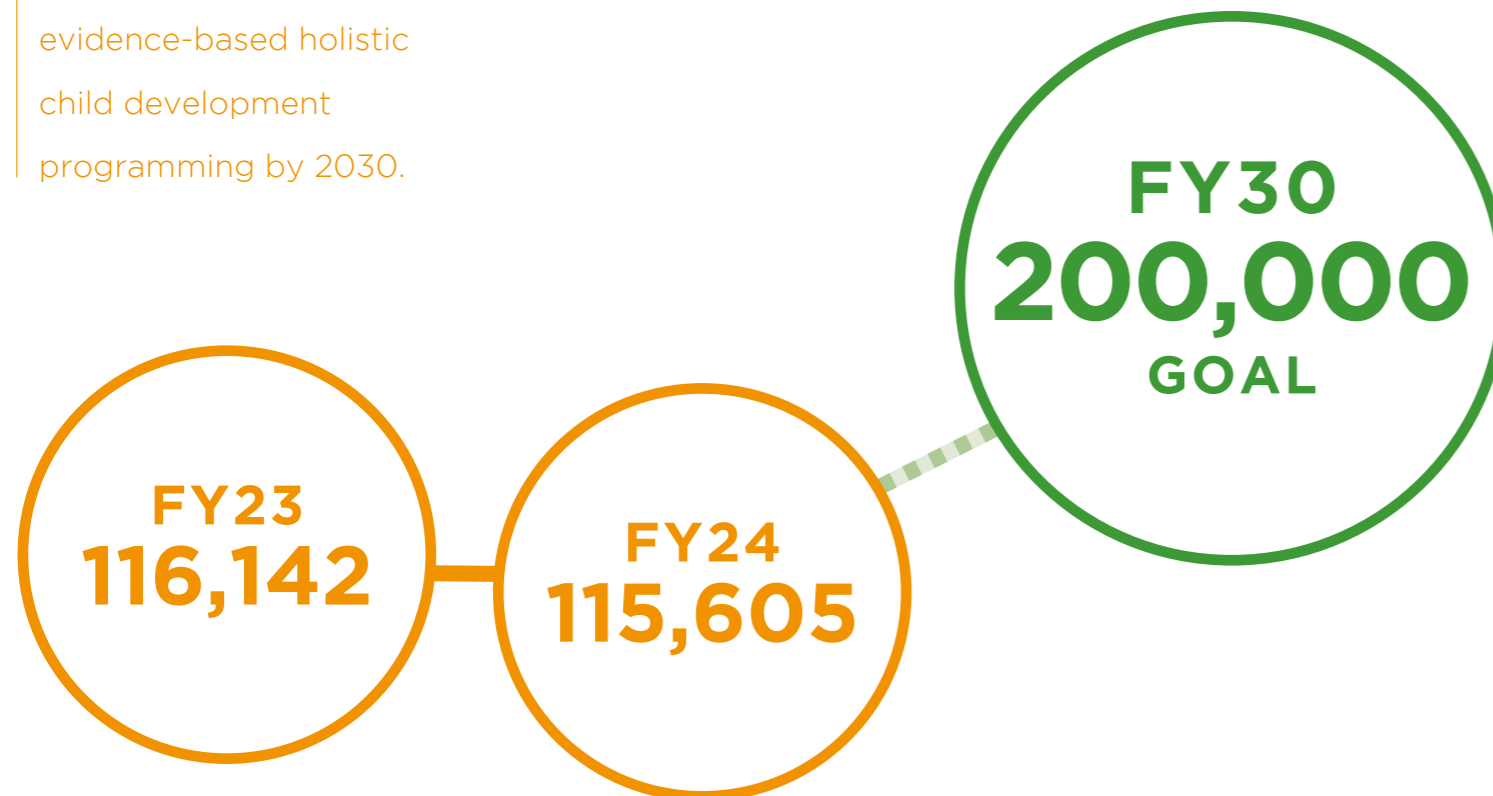
AS A COMPASSION GRADUATE, JUSTINE NOW WORKS AS AN ADVOCATE FOR CHILDREN, HELPING THEM TO CONNECT WITH CHRISTIAN EDUCATION. SHE AND HER FELLOW COMPASSION GRADUATES WORK VERY HARD FOR THE NEXT GENERATION AND EVEN SPONSOR SOME CHILDREN.

# 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 to 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.



**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.



SOPHIA, BRAZIL

Key

Global fundraising countries

Where we work

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

CHILDREN SUPPORTED:

115,605

IN 29 COUNTRIES WHERE WE WORK

Bangladesh	2,769	Mexico	1,701
Bolivia	3,168	Nicaragua	1,857
Brazil	3,087	Peru	2,788
Burkina Faso	4,784	Philippines	3,060
Columbia	2,761	Rwanda	10,780
Dominican Republic	1,840	Sri Lanka	2,288
Ecuador	2,060	Tanzania	5,497
El Salvador	2,147	Thailand	2,047
Ethiopia	8,010	Togo	6,362
Ghana	7,088	Uganda	16,506
Guatemala	1,895		
Haiti	5,514	Compassion has started to partner with churches in <b>Malawi, Myanmar, Cambodia</b> and <b>Zambia</b> . In these four countries, we're currently developing new church partnerships.	
Honduras	1,415		
Indonesia	4,319		
Kenya	11,862		

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.



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



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

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



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



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



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



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

# FINANCIAL REVIEW

## INCOME & EXPENDITURE



# 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.



# 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.

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**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.

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**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)**

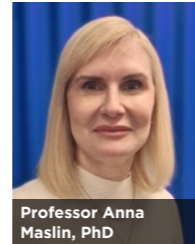
Jon is a qualified accountant, treasurer and member of the Institute of Directors with more than 30 years, experience in senior finance, systems and change management roles with global multinational companies in various industries.



**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**

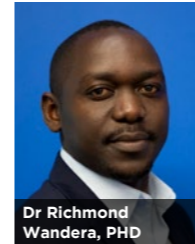
Anna has been working globally focusing on health, human rights and international development for over 40 years, and has represented the UK at numerous international fora.



**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.



# 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<sub>2</sub> to 347 tonnes of CO<sub>2</sub>. This is linked to a return to normal activity levels following the pandemic. Emissions are 34% of the baseline (1,017 tonnes of CO<sub>2</sub>) 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.

# 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 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.

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.

# 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	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
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

		AS AT 30 JUNE 2024	AS AT 30 JUNE 2023
	NOTE	£'000	£'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)



# 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].

## 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
<b>MINIMUM 80% RESTRICTED</b>								
Child Sponsorship	28,745	-	7,185	35,930	27,173	-	6,795	33,968
Un-sponsored 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	-	-	-	-	-	-	-	-
<b>100% RESTRICTED</b>								
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
<b>MINIMUM 80% DESIGNATED</b>								
Gift Aid	-	6,791	1,698	8,489	-	6,414	1,603	8,017
General unrestricted income	-	881	221	1,102	-	658	165	823
<b>OTHER DONATIONS</b>								
Other Donations	-	-	5	5	-	-	2	2
<b>TOTAL</b>	<b>34,894</b>	<b>7,672</b>	<b>9,574</b>	<b>52,140</b>	<b>34,283</b>	<b>7,072</b>	<b>9,276</b>	<b>50,631</b>

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

## 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

## 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
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>169</b>	<b>-</b>	<b>-</b>	<b>169</b>

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

		FOR THE YEAR ENDED 30 JUNE 2024	FOR THE YEAR ENDED 30 JUNE 2023
	NOTE	£'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

		FOR THE YEAR ENDED 30 JUNE 2024				FOR THE YEAR ENDED 30 JUNE 2023			
	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	34,419	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

		FOR THE YEAR ENDED 30 JUNE 2024				FOR THE YEAR ENDED 30 JUNE 2023			
	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		28,745	-	-	28,745	27,173	-	-	27,173
Un-sponsored 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)	-
Un-sponsored 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)	-
Un-sponsored 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

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**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**

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