

Company Registered Number: 3933420
Charity Registered Number: 1081384

CHAIN OF HOPE
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31ST MARCH 2021

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**CHAIN OF HOPE
CHAIN OF HOPE TRUSTEES REPORT
FOR THE YEAR ENDING 31st MARCH 2021**

The Trustees are pleased to present their report, together with the financial statements, for the year ending 31 March 2021. The financial statements comply with current statutory requirements including the special provisions relating to companies subject to the small companies regime within part 15 of the Companies Act 2006, the memorandum and Articles of Association and the Statement of Recommended Practice 2015 — Accounting and Reporting by Charities (FRS 102).

LEGAL AND ADMINISTRATIVE SUMMARY

Nature of governing instrument

Chain of Hope is a Company Limited by Guarantee, Registration Number 3933420 and a Registered Charity, Number 1081384. The Charity was established as a Trust in 1996 and was then incorporated as a Company Limited by Guarantee in February 2000. It is governed by its Memorandum and Articles of Association.

President

Professor Sir Magdi Yacoub OM FRS

Vice President

Professor Marc de Leval

Honorary Vice Presidents

Countess Noemi Marone Cinzano

Mrs Sherine Sawiris

Mrs Dina Nassif

Ambassadors

Ms Alexandra Burke

Mr Omid Djalili

Mr Chris Eubank Jnr

Mr Rupert Everett

Ms Kimberley Garner

Mrs Fiona Hawthorne

Ms Ulrika Johnson

Ms Felicity Kendell

Mr Colin Salmon

Child Protection & Safeguarding Advisor

Mrs Mo O'Reilly

Trustees and Directors

Dr Gavin Wright – Chairman

Professor Victor Tsang – Vice Chair

Mrs Louise Perry – Treasurer (appointed 1 February 2021)

Professor Marc de Leval (resigned 29 July 2020)

Mr Jonathan Danos MBE

Professor Vibeke Hjortdal (appointed 1 March 2021)

Dr Alan Magee

Professor Sir Magdi Yacoub OM FRS

The Trustees and the principal officers are supported by a number of sub committees and groups, details of which can be found on the charity's website.

Chief Executive Officer - Miss Emma Scanlan

**CHAIN OF HOPE
CHAIN OF HOPE TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDING 31st MARCH 2021**

LEGAL AND ADMINISTRATIVE SUMMARY (CONTINUED)

Registered Office

Chain of Hope
Royal Brompton Hospital
South Parade
Sydney Street
London
SW3 6NP

Bankers

Lloyds TSB
Kings Road
Chelsea
London SW3

NatWest Bank plc
183b Kings Road
Chelsea
London
SW3 5EB

Auditors

Moore (South LLP)
Chartered Accountants
Priory House
Sydenham Road
Guildford
GU1 3RX

Solicitors

Russell-Cooke Solicitors
2 Putney Hill
London
SW15 6AB

CHAIN OF HOPE
CHAIN OF HOPE TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDING 31st MARCH 2021

CHARITY OBJECTS

- a) The relief of sickness and to preserve and protect the health of people, in particular but not exclusively, children from abroad; and
- b) To further such other exclusively charitable purposes according to the law of England and Wales as the Trustees in their absolute discretion from time to time determine.

PUBLIC BENEFIT

The Trustees confirm that the target beneficiary group is within Public Benefit as the services are ultimately aimed at any patients who are in the public health systems of the countries where Chain of Hope works.

We have referred to the Charity Commission's general guidance on Public Benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Board consider how planned activities will contribute to the aims and objectives they have set.

MISSION STATEMENT

To develop sustainable clinical and research cardiac centres for treatment of children and young people with heart disease in countries where facilities for such treatments are unavailable.

While this primary objective is underway, patients in need from these and other countries may be brought to the UK or other centres approved by Chain of Hope for such treatments.

OBJECTIVES AND ACTIVITIES

It is estimated that 15 million children die or are crippled annually by potentially treatable or preventable cardiac diseases. Chain of Hope aims to address the surgical inequality of these cardiac children around the world. As part of this goal, Chain of Hope is assisting the establishment of cardiac services and facilities in countries where they do not exist.

The charity has 4 main activities:

1. Conduct surgical and medical teaching missions that undertake closed and open-heart surgery on children and offer a range of out-patient services.
2. Provide teaching and training for cardiac and associated healthcare workers within the countries Chain of Hope is assisting, to create sustainable cardiac services for children.
3. Assist in the development of infrastructure by providing equipment, advising on services and helping to build capacity.
4. Organise and sponsor treatment for children through the charity's International Child Referral Programme (ICRP).

Success is measured by the number of missions organised and the number of children treated in a reporting period. In addition, the long-term impact is measured by how many cases and of what complexity the local teams whom we support around the world have conducted.

CHAIN OF HOPE
CHAIN OF HOPE TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDING 31st MARCH 2021

ACHIEVEMENTS AND PERFORMANCE

Covid-19 Impact on Activity & Performance in 2021:

This financial year began in 'lockdown' due to the Covid-19 pandemic which meant that the charity's operations were on hold. Both overseas missions and the transfer of children through our ICRP were not possible for the first part of this year due to travel restrictions and our valued volunteer healthcare professionals being hard at work in the fight against Covid-19 in the NHS. 73% of staff were put on furlough initially during the pandemic whilst the charity's leadership looked at ways to still reach patients overseas with heart disease during this unprecedented time.

Chain of Hope put its energy into these key areas of activity during the pandemic:

1. Supporting the hospitals and cardiac centres, which we have helped establish over the years, by providing cardiac supplies and equipment to allow continued procedures in the absence of overseas missions. We refer to this support as 'local missions' whereby the local teams conduct what procedures they can utilising the supplies we have sent.
2. Partnering with Rotary Foundation and other International NGOs to fund surgeries locally in countries where possible.
3. Supporting the hospitals and cardiac centres we have helped establish over the years with Covid tests and PPE to help them protect themselves in the fight against Covid-19.
4. Engaging our donors and finding new ways to fundraise in the absence of holding physical events during Covid-19.
5. Supporting where it could, the work of the NHS with the loan of equipment to London hospitals to enable them to expand their Intensive Care Capacity. We also partnered with donors to run dedicated campaigns to support the NHS staff with food during the lockdowns.

Breakdown of Activity During the Financial Year: Comparison against objectives set in 2020 (page 7 of last year's report)

Chain of Hope staff worked hard with its partners to find ways to continue to reach children during the pandemic and the charity was able to support cardiac procedures for 303 children and young adults.

The section below details how the charity achieved this and the other activities that were set as goals and objectives at the beginning of the pandemic:

Ethiopia: our goal for this year was to support six local missions to treat children and young adults:

We managed to support the local team at the Ethiopian Cardiac Centre with two local missions by providing consumables and supplies. This resulted in an amazing total of 54 patients being operated on. Of the 54 children treated, 25 received open heart surgery procedures and 29 children were treated in the catheter lab with interventional procedures.

Uganda: Our goals for this year was to support:

- i. Three local catheter lab missions at the Uganda Heart Institute and
- ii. Surgical activity through a Rotary grant which would treat up to 50 patients

We managed to support one local mission rather than the three planned, due to the Uganda Heart Institute being severely limited in the first half of the year by Covid-19 restrictions. A total of 12 children were treated successfully utilising devices sent by Chain of Hope.

**CHAIN OF HOPE
CHAIN OF HOPE TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDING 31st MARCH 2021**

We achieved the goal of supporting the sustainable surgical work of the Uganda Heart Institute by partnering with Rotary Foundation. We had contributed \$50,000 at the end of the previous financial year which was matched to the value of 50% by Rotary Foundation, increasing our impact to \$75,000. This \$75,000 enabled 21 patients to be operated on by the local team in 2021 during lockdown. In addition the grant enabled a second anaesthetic machine to be purchased for the catheter lab in the Uganda Heart Institute so that the local team can operate in both surgical theatres and the catheter lab simultaneously. This helped to fulfil our goal of supporting sustainability by building local capacity.

Aswan: Our goal for this year was to provide £250,000 worth of equipment, consumables or supplies to the Aswan Heart Centre.

We surpassed our goal with the supply of £273,809 worth of consumables and equipment in the following ways:

- i. We supplied Covid testing kits to enable the establishment of rigorous testing procedures and protocol which has kept the Centre's staff safe and enabled the Centre to continue working during the pandemic.
- ii. We continued funding and supplying vital consumables and heart valves necessary for the Centre to continue its surgeries.
- iii. We supplied 72 pacemakers, devices & heart valves for use in children and adults.

Refugee project: Our goal was to support the treatment of 40 refugee children in Lebanon and Jordan:

Due to the crisis in Lebanon last summer, as a result of the explosion, this was not possible but we did manage to fund the treatment of 43 children of Syrian, Lebanese and Palestinian origin.

ICRP: Our goal was to resume the ICRP programme and build up to two patients per month by the end of the financial year:

By the end of the financial year we had successfully renewed collaboration with our ICRP centres in Aswan and Barcelona and were treating two patient per month. Eleven patients received treatment through our ICRP during the financial year, with 13 patients in total having been transferred for medical treatment.

Rwanda: our goal last year was to support the development of a dedicated cardiac centre for Rwanda:

Chain of Hope entered into a grant agreement during this financial year with the Rwanda Heart Care & Research Foundation for the specific purpose of building a public cardiac centre in Kigali, Rwanda. A total of £677,000 had been raised by Chain of Hope over the last five years, pledged to the construction of a dedicated cardiac unit. This is a joint endeavour with other NGOs and the Egyptian Ministry of Foreign Affairs who are all donating funds for the building, internal equipment or other support costs.

Other activity performed during the Financial Year:

Overseas Missions

Dominican Republic; Due to the pandemic, only local missions could be carried out because of travel restrictions. However we partnered with a USA NGO and co-funded a mission to the Dominican Republic performing 24 procedures on children in need.

Jamaica: We continued our support of Jamaica's local cardiac project through funding received from Baillie Gifford to fund a manager for the cardiac programme at Bustamante Hospital for Children. During this period a member of our staff was seconded to the Jamaica Children's Heart Centre to help coordinate the programme there for six months. The local team was severely restricted in being able to operate and perform interventional catheter procedures but with the support of consumables and equipment 48 children were treated during this financial year.

We also supplied PPE and eight Babytherm incubators for children's general use during the pandemic.

CHAIN OF HOPE
CHAIN OF HOPE TRUSTEES REPORT (CONTINUED)
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Romania: We partnered with Gift of Life and Rotary Foundation to support the treatment of 16 children. Many of these were 'Roma' children from some of the most deprived communities in the country.

Grant Giving

The charity will give grants where this is a good way of achieving its objectives. We fulfil our charitable objects for public benefit by providing grant funding to organisations with purposes and aims similar to our own.

We utilise grant giving agreements which incorporate stringent conditions on the use of funds or resources and these agreements stipulate reporting requirements to ensure that the grantee uses the funds for the correct charitable purposes.

Additionally, we sometimes contribute to grants involving the Rotary Foundation or Rotary International through our American Partner, Gift of Life International. When we contribute to Rotary Foundation grants, our contribution is matched at 50% by Rotary Foundation, maximising our impact to beneficiaries.

Fundraising & Marketing

The past year has been a difficult environment in which to fundraise, however we focussed our energies on developing online fundraising. In the first part of the financial year we ran several digital appeals during lockdown which generated £104k. We were pleased with this initial result and have been trying to expand existing donor engagement as well and exploring how to increase our digital reach.

Our annual Gala Ball had to be cancelled due to Covid-19 restrictions. However, we organised a virtual fundraiser in its place which was hosted by Sky News Presenter, Jonathan Samuels and Lord Jeffrey Archer. The hard work of our small but dedicated team together with our Gala Ball committee paid off as we raised £1,062, 976 (including gifts in kind).

The return on investment for the virtual fundraiser was extremely good with a direct cost of only £46k. Additionally, a number of new major donors and supporters were recruited through this event.

Our forecasts for 2021/22 predict an uncertain year for income generation due to the ongoing global Covid-19 crisis. The UK recession will undoubtedly take its toll on the charity sector however the past financial year showed the resilience of both our donors and our fundraising committees. Their loyalty has been unfaltering.

We will continue to engage our existing donors and plan for our 25th anniversary fundraiser in November 2021, whether live or virtual or both, whilst also continuing to work on growing our fundraising 'reach' to new audiences. We are seeking expertise to support the charity in growing our marketing both online and otherwise. The Trustees are considering how best to invest funds during the coming year to develop new income streams for the future.

Future Plans for 2021/2022

During the pandemic it has been necessary to adapt our activities and support the local cardiac teams, trained by Chain of Hope, with the provision of vital consumables, resources and by remote mentorship. The objectives for 2021/2022 reflect this change and the continued travel restrictions but are also based on the hope that it will be possible to resume overseas missions in the second half of the year.

**CHAIN OF HOPE
TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDING 31st MARCH 2021**

Objectives for the year 2021/2022

Ethiopia:

- We aim to provide vital supplies for the local team at the Ethiopia Cardiac Centre to treat 30 cases
- We aim to send two volunteer mission teams to help the local team with more complex cases

Uganda:

- We aim to provide consumables and devices for 24 procedures locally
- We aim to provide one volunteer medical team visit to the catheter lab

Refugee project:

- We aim to conduct three full missions to Jordan to treat Syrian, Iraqi and Palestinian patients

Dominican Republic:

- We aim to partner again with Gift of Life and support one mission to the Dominican Republic

Rwanda:

- We aim to continue to support the development of the Rwanda Cardiac Centre

Jamaica:

- We aim to provide medical consumables for the local team at Bustamante Hospital for Children to be able to operate on 20 cases
- We aim to carry out two missions once travel restrictions allow
- We aim to continue to support the salary of the Cardiac Centre Manager

Aswan:

- We aim to continue our support of operations at the Aswan Heart Centre with the supply of consumables and equipment needed to treat Egyptian patients

ICRP:

- We aim to transfer three patients per month for treatment through our ICRP programme

Fundraising:

- We aim to create a combined live and virtual event for our annual fundraiser in November 2021
- We aim to increase our regular giving income stream by 25%
- We aim to research and pilot a marketing and fundraising campaign to grow our donor base
- We aim to increase donations from trusts and funds

Governance:

- We aim to continue to work on the diversification of our board of Trustees
- We aim to establish a rolling programme of review of policies

**CHAIN OF HOPE
CHAIN OF HOPE TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDING 31st MARCH 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trustee Board (Trustees are listed in the Legal and Administrative Summary)

The Board of Trustees is responsible for the governance and financial management of the charity. We aim to hold quarterly Board meetings. Trustees decide and agree policy and approve a framework for the charity's delivery of activities. Day to day management is delegated to the Chief Executive Officer.

Trustees are re-appointed every four years and during this financial year the Memorandum and Articles were amended so that the charity no longer requires an AGM to be held to propose and appoint new Trustees. Nominations are made at Trustee meetings and are considered carefully. Where possible Trustee positions are advertised and recruited externally to the existing network of the charity.

The Trustees have made a commitment to diversify the Board's expertise and two female Trustees have been successfully recruited over the last financial year. Louise Perry was recruited through external advertising and was formally appointed to be Treasurer on 1 February 2021. The second new Trustee, Professor Vibeke Hjortdal, also joined us during the second part of this financial year. Professor Hjortdal is a Professor of Cardiothoracic surgery and has been involved in the charity's overseas missions for nearly ten years. Based in Denmark, Professor Hjortdal is taking on a role to improve the charity's medical data record keeping and analysis.

Professor de Leval resigned as a Trustee during the financial year due to ill health but remains in an Honorary position as Vice President.

Personnel

In April 2020, 73% of our staff were placed on furlough as our charitable operations were curtailed due to the pandemic. The CEO took the lead in taking a 20% voluntary pay cut and the remaining senior management team also took 10% pay cuts.

As operations continued to be minimal and fundraising was hard to predict, a series of redundancies were unfortunately made during the summer of 2020. A further two members of staff left the organisation for other employment and one member of the team reduced her contract to two days per week. Furloughed staff were brought back part time as their areas of operation increased in the second six months of the year.

Pay scales are worked out according to management or administration levels within the organisation, with consideration given to performance review and length of service. Performance reviews are conducted annually although a continual look at objectives occurs through the year. The Chief Executive Officer's performance and remuneration are reviewed annually by the Chairman. These are benchmarked against charitable organisations of a similar size and complexity.

Risk Committee

The Risk Committee is a sub-committee of the Trustee Board set up to assess the charity's risks, the best ways of mitigating them and monitoring progress on this. It is comprised of the CEO, the Director of Operations, the Treasurer trustee and two other trustees. Material risks are considered on a rolling basis by the Board.

Finance Group

The Finance Group monitors and reviews all financial processes, procedures and policies. Any financial risk issues raised are brought to the Risk Committee or the Trustees to gain approval for remedial action where needed. The Group meets monthly to review the management accounts and the recording and usage of restricted funds.

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CHAIN OF HOPE TRUSTEES REPORT (CONTINUED)
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Gala Ball Fundraising Committee

This committee is led by Co-Chairs Dina Roushdi and Sherine Sawiris, together with Vice-Chair Maria Sukkar. Their leadership has taken it to ever increasing heights over the years, enabling the charity to raise in the region of £1.5million - £2.5 million annually.

The Committee has 15 members who have been giving their time over the last fifteen years to help raise the funds needed for the much celebrated annual event, known as one of the leading charity events in London. Committee members are responsible for obtaining the live and silent auction prizes needed for this event. Their hard work and connections enable the charity to gather high end luxury items for the auctions.

The leadership team of this committee devise the content and entertainment of the annual event, not only raising significant sums for Chain of Hope but keeping the event fun and unique such that guests wish to return each year.

Medical Committee

The Medical Committee is comprised of cardiologists and surgeons from different hospitals including Great Ormond Street Hospital for Sick Children, Royal Brompton and Harefield NHS Trust, Evelina London Children's Hospital, The Harley Street Clinic and Southampton University Hospital.

The Board meets monthly to review the medical files of patients who are applying for treatment through Chain of Hope. The Medical Committee's remit is to advise the Trustees on medical policy and oversee the smooth medical management of the charity's ICRP. This Committee was jointly chaired during this financial period by Professor Shakeel Qureshi and our newly appointed Co Chair Dr Rodney Franklin.

Nursing Committee

The Nursing Committee remit is to recruit and screen nurses to join Chain of Hope missions and educational programmes. Chain of Hope overseas missions rely heavily on volunteer ICU nurses and they make up roughly half of our clinical volunteers. The Nursing Committee has put together procedures for recruiting, interviewing and briefing new nurses. References are taken up by members of the Nursing Committee and each applicant gets interviewed.

Management of the International Child Referral Scheme (MICRoS)

MICRoS is Chaired by Mo O'Reilly, who has a background working in the adoption and fostering sector. The remit of this group is to review issues arising within the ICRP, including management of the waiting list, child referral placements, host families and child support volunteers and the housing and accommodation provisions for parents and guardians in relation to child protection in the UK and ICRP centres abroad. MICRoS monitors the individual child placements to ensure best practice.

Host Family Approval Panel

Mo O'Reilly also chairs this independently recruited panel of professionals/advisors which review applications from prospective carers volunteering to care for a child and relative during his or her stay in the UK, before and after heart surgery. This process mirrors fostering practice guidelines and is in line with best practice. Tom Narducci (Child Protection Specialist, formerly NSPCC) joined the panel in 2017.

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CHAIN OF HOPE TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDING 31st MARCH 2021

Ambassadors

Chain of Hope has a group of Ambassadors who can represent the charity at public events for fundraising and public relations purposes. These Ambassadors have been listed in the Legal and Administrative section of this report.

Volunteers

The charity is highly dependent on very skilled and dedicated volunteers who deliver our charitable operations as well as our fundraising events and activities. We recognise that the huge donation of time and expertise to the charity is a key component of the work we carry out and a large amount of time liaising with our volunteers is essential to the success of the charity. The above committees all work tirelessly to carry out their activities. Volunteers represent a large part of the gifts in kind calculated in the accounts.

Partners and Collaboration

Collaboration and coordination with other NGOs in the countries where we work is important to Chain of Hope. We support NGOs and hospitals in the development of cardiac services in these countries. Chain of Hope also partners with grant giving organisations such as Gift of Life International and Rotary Foundation, as well as medical charities and medical institutions globally, thus ensuring that we are providing the very best expertise whilst not duplicating efforts.

Performance and Financial Position

In the 12 month period to 31st March 2021, total income amounted to £2.00m (2020: £4.26m), of which £1.40m (2020: £3.32m) was restricted in nature. The charity typically receives most of its income from donations, particularly at its annual gala ball. During the previous financial year 2019/2020, £1.55m was raised at the Gala Ball. Due to Covid-19 the charity was unable to hold a Gala Ball in the financial year to 31st March 2021 but £1.06m was raised virtually in November 2020.

Gifts in Kind amounting to £0.32m (2020: £1.92m) were recorded for the period. These largely relate to the value assigned to professional time and expertise and medical equipment donated by medical and healthcare professionals and medical institutions. They were lower than the previous year due to the restrictions on activity arising from Covid-19.

The charity incurred £2.08m of costs during the year (2020: £4.84m) including Gifts in Kind of £0.32m (2020: £1.92m). The decrease in costs reflects reduced activity during the year due to Covid-19 combined with a cost cutting programme.

The foreign exchange loss of £0.08m (2020: gain of £0.04m) arose from US dollars held for operational purposes. The holding has significantly reduced after the balance sheet date.

The charity finished the year in a strong financial position with cash of £2.88m (2020: £2.99m). The fundraising environment is expected to remain challenging in the following year, but the cash reserves should ensure liquidity and enable the charity to resume normal activities as restrictions are lifted.

Financial performance will continue to be closely monitored with Trustees receiving monthly financial information.

CHAIN OF HOPE
CHAIN OF HOPE TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDING 31st MARCH 2021

Reserves

At the end of the reporting period the charity had funds of £2.69m (2020: £2.84m), of which £1.33m represented restricted funds (2020: £1.48m). The charity holds general reserves in case of unforeseen changes in income and expenditure. These are matched by liquid investments so that they can be drawn on quickly if necessary. The level of general reserve is reviewed annually by the Trustees. They have decided to increase the level of general reserve at 31 March 2021 to £750k, from £500k. This represents 7-8 months of expected unrestricted expenditure for the following year.

The general reserve of £750k is less than the current level of unrestricted funds. This provides extra financial comfort given the uncertainties of the year ahead.

Risk Management

The Trustees and senior management have continued to review risk within the charity over the last year with the added focus of the impact of the pandemic on the charity's future activities.

A Risk Committee has been established which meets quarterly to review the risk register and monitor the progress of mitigating action points. Updates are provided to the Trustees on a regular basis.

The key risks and mitigating actions identified by the risk committee are:

Risk: Dependence on an annual event and key donors for fund-raising.

Mitigation: The charity has put additional resource into applying for more funds from trusts and grant giving bodies and is investigating ways to increase regular giving and expand the donor base.

Risk: Poor outcomes from clinical activities.

Mitigation: The charity has rigorous procedures around the recruitment of volunteer surgeons and medical support staff and the choice of patients. Further work is being done on collecting data on patient outcomes and reviewing the results.

Risk: Poor decision making arising from a non diverse Board and unclear terms of reference and reporting lines of sub-committees.

Mitigation: The need for diversity on the Board is being taken into account in future appointments. Terms of reference of sub-committees are being reviewed to ensure that all decision making continues to be transparent.

Diversity, Equality & Inclusion

Chain of Hope is fully committed to championing equality, diversity and inclusion. We strive to continuously learn how to increase the diversification of our network including our Trustees, staff, Volunteers and supporters.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

The Trustees of the charitable company who held office at the date of approval of these Financial Statements, as set out on page 1, have each confirmed that so far as they are aware there is no relevant information of which the company's auditors are unaware, they have taken all steps that they ought to have taken as Trustees to make themselves aware of any relevant audit information, and to establish that the charitable company's auditors are aware of that information.

**CHAIN OF HOPE
CHAIN OF HOPE TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDING 31st MARCH 2021**

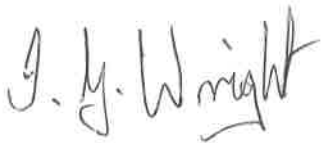
Chairman's Statement

Over the course of 2020-21, the charity was able to maintain support to its beneficiaries and major projects through adaptation of its charitable activities. We managed to serve over 303 patients as well as supporting many of our overseas cardiac facilities which we have helped to establish.

Our hard-working fundraising committee, together with our very dedicated staff, managed to maintain strong fundraising efforts and adapted their approaches and methods to the Covid-19 pandemic. We have further diversified our Board and strengthened our financial systems and processes.

We are confident that we have a good strong base from which to tackle the uncertainty of the following year and we are grateful for the loyalty and commitment from our donor base and volunteers.

May I take this opportunity to thank everybody who has given their time and skills to help navigate the charity through this difficult period.

A handwritten signature in black ink, appearing to read 'G. J. Wright'.

Gavin Wright

Chairman

27 August 2021

**CHAIN OF HOPE
CHAIN OF HOPE TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDING 31st MARCH 2021**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of the company for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. 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 SORP 2019 (FRS102);
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CHAIN OF HOPE
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CHAIN OF HOPE
FOR THE YEAR ENDING 31st MARCH 2021

Opinion

We have audited the financial statements of Chain of Hope (the 'charitable company') for the year ended 31st March 2021 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of 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 31st March 2021, and of its incoming resources and application of resources, including its income and expenditure, 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 Charities Act 2011.

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 trustees' 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 charitable 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 trustees 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.

CHAIN OF HOPE
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CHAIN OF HOPE (continued)
FOR THE YEAR ENDING 31st MARCH 2021

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we required for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees 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

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

CHAIN OF HOPE
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CHAIN OF HOPE (continued)
FOR THE YEAR ENDING 31st MARCH 2021

Our approach was as follows:

- The engagement partner selected staff for the audit who had prior knowledge of the client and who had the required competence and skills to be able to identify or recognise non-compliance with laws and regulations.
- We assessed the risk of irregularities as part of our audit planning, and ongoing review, including those due to fraud, management override was identified as a significant fraud risk. This is due to the ability to bypass controls through inappropriate expenditure and accounting policies adopted.
- Some income received is restricted in its use and a significant risk was identified regarding the correct classification of income between restricted and unrestricted funds and that the expenditure against this income was in line with any specified restrictions.
- The entity receives gifted medical procedures, the correct inclusion of which within in the accounting records was identified as a significant risk to the audit, there is a risk associated with completeness of income and associated expenditure.
- The risk associated with ensuring that the level of insurance cover held by the charity is adequate was also identified as a significant risk, due to disclosure of provisions and contingent liabilities.
- We obtained an understanding of the legal and regulatory requirements applicable to the charity and we considered the most significant to be Charities Act 2011, the Charity SORP, UK financial reporting standards as issued by the Financial Reporting Council and UK Taxation legislation. We considered how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations. Consideration was also made of the internal controls in place to mitigate the identified risks.
- We assessed the control environment, documenting the systems, controls and processes adopted. The audit approach incorporated a combination of controls where appropriate, analytical review and substantive procedures involving tests of transactions and balances. Any irregularities noted were discussed with management and additional corroborative evidence was obtained as required.
- We obtained an understanding and assessed the impact of Covid-19 on the operations of the charitable company and adapted our audit approach accordingly. We enquired and obtained evidence to support the going concern assumption and reviewed support received through the Coronavirus support schemes, dovetailed with work undertaken on management override.

To address the risk of fraud through management override we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify any unusual transactions;
- tested items of expenditure to ensure that they were valid and appropriate;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- reviewed the disclosures within the financial statements to ensure they meet the requirements of the accounting standards and relevant legislation.

CHAIN OF HOPE
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CHAIN OF HOPE (continued)
FOR THE YEAR ENDING 31st MARCH 2021

In response to the classification of income between restricted and unrestricted we:

- agreed a sample of income recorded in the nominal ledger to source documentation to ensure any restrictions were correctly identified.
- agreed a sample of expenses incurred to ensure that they had been allocated to the appropriate fund; and
- obtained and reviewed fund analysis workings to ensure that the calculations were correct and agreed to the accounting records,

In response to the risk of irregularities with regards to recognition of income we:

- agreed a sample of operations from medical team to calculations provided, agreeing the calculation; and
- obtained clients gifts in kind calculation and agreed the basis of calculation;

In response to the risk of irregularities with regards to provisions and contingent liabilities we:

- reviewed insurance cover documentation; and
- reviewed minutes and correspondence with third parties;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Moore (South) LLP

Moore (South) LLP
Statutory Auditor

Priory House
Pilgrims Court
Sydenham Road
Guildford
Surrey GU1 3RX

Moore (South) LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

27 September 2021

CHAIN OF HOPE
Statement of financial activities
(Incorporating an income of expenditure account)
For the year ended 31st March 2021

| | | Unrestricted | Restricted | 2021 | 2020 |
|--|-------------|---------------------|-------------------|------------------|------------------|
| | Note | £ | £ | Total | Total |
| | | | | £ | £ |
| Income from: | | | | | |
| Donations and legacies | 3 | 324,699 | 1,397,940 | 1,722,639 | 3,875,755 |
| Other trading activities | 4 | 135,385 | - | 135,385 | 376,363 |
| Investment income | 5 | 380 | - | 380 | 10,974 |
| Other | 6 | 142,396 | - | 142,396 | - |
| Total income | | 602,860 | 1,397,940 | 2,000,800 | 4,263,092 |
| Expenditure on: | | | | | |
| Raising funds | 7 | 297,198 | - | 297,198 | 979,531 |
| Charitable activities: | | | | | |
| Overseas Activities | 7 | - | 1,414,519 | 1,414,519 | 2,591,288 |
| International Child Referral Programme | 7 | - | 364,118 | 364,118 | 1,264,698 |
| Total expenditure | | 297,198 | 1,778,637 | 2,075,835 | 4,835,517 |
| Net income / (expenditure) before other recognised gains and losses | | 305,662 | (380,697) | (75,035) | (572,425) |
| Net gains / (losses) | 8 | (77,871) | - | (77,871) | 39,646 |
| Net Movement in funds | | 227,791 | (380,697) | (152,906) | (532,779) |
| Transfer between funds | | (224,970) | 224,970 | - | - |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | 1,357,208 | 1,481,143 | 2,838,351 | 3,371,130 |
| Total funds carried forward | | 1,360,029 | 1,325,416 | 2,685,445 | 2,838,351 |

All of the above results are derived from continuing activities.

There were no other recognised gains or losses other than those stated above.

The notes on pages 21 - 32 form part of these financial statements.

CHAIN OF HOPE
Balance Sheet
As at 31st March 2021

| | Note | 2021 £ | 2021 £ | 2020 £ | 2020 £ |
|--|------|------------------|------------------|------------------|------------------|
| Fixed assets: | | | | | |
| Tangible assets | 11 | | 11,337 | | 22,123 |
| Current assets: | | | | | |
| Debtors | 12 | 106,881 | | 184,681 | |
| Cash at bank and in hand | | <u>2,879,016</u> | | <u>2,992,608</u> | |
| | | 2,985,897 | | 3,177,289 | |
| Liabilities: | | | | | |
| Creditors: amounts falling due within one year | 13 | <u>(311,789)</u> | | <u>(361,061)</u> | |
| Net current assets | | | <u>2,674,108</u> | | <u>2,816,228</u> |
| Total assets less current liabilities | | | <u>2,685,445</u> | | <u>2,838,351</u> |
| Total net assets | | | <u>2,685,445</u> | | <u>2,838,351</u> |
| Funds | 16 | | | | |
| Restricted funds | | | 1,325,416 | | 1,481,143 |
| Unrestricted funds: | | | | | |
| General funds | | <u>1,360,029</u> | | <u>1,357,208</u> | |
| Total unrestricted funds | | | <u>1,360,029</u> | | <u>1,357,208</u> |
| Total funds | | | <u>2,685,445</u> | | <u>2,838,351</u> |

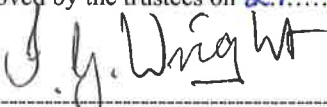
The financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

For the year ending 31st March 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. However, an audit is required in accordance with section 144 of the Charities Act 2011.


Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the accounts.

Approved by the trustees on 27 August 2021 and signed on their behalf by:



Dr Ian Gavin Wright
Chairman



Mrs Louise Perry
Treasurer

Company Registration no. 3933420

The notes on pages 21 - 32 form part of the financial statements.

CHAIN OF HOPE
Statement of Cash Flows
For the year ended 31st March 2021

| | Note | 2021 | 2021 | 2020 | 2020 |
|--|-------------|-------------|-------------------------|-------------|-------------------------|
| | | £ | £ | £ | £ |
| Net cash (used in) operating activities | 17 | | (112,419) | | (364,862) |
| Cash flows from investing activities: | | | | | |
| Interest received | | 380 | | 10,974 | |
| Payments to acquire fixed assets | | (1,553) | | (2,550) | |
| | | | | | |
| Net cash (used in) / provided by financing activities | | | (1,173) | | 8,424 |
| Change in cash and cash equivalent in the year | | | (113,592) | | (356,438) |
| Cash and cash equivalent at the beginning of the year | | | 2,992,608 | | 3,349,046 |
| Cash and cash equivalent at the end of the year | | | <u>2,879,016</u> | | <u>2,992,608</u> |
| Cash and cash equivalent consists of: | | | | | |
| Cash at bank and in hand | | | 2,879,016 | | 2,992,608 |
| | | | | | |
| Cash and cash equivalent at 31st March 2021 | | | <u>2,879,016</u> | | <u>2,992,608</u> |

CHAIN OF HOPE
Notes to The Financial Statements
For the year ended 31st March 2021

1) Accounting policies

a) Company Status

The company is a company listed by guarantee and has no share capital. The members of the company are the Trustees named on page 1. In the event of the company being wound up, any liability in respect of the guarantee is limited to £1 per member of the company. The address of the registered office is given on page 2 of these financial statements. The nature of the charity's operations and principal activities are explained in the Trustees Report.

b) Basis for preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared in sterling which is the functional currency and have been rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention.

The charitable company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

c) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for the 12 months from authorising these financial statements. The budgeted income and expenditure in addition to existing reserves is sufficient to fund the charities future operations and for the charity to be considered a going concern.

d) Income

Gifts, donations and income from other trading activities are recognised when the charity has received the funds and any performance conditions attached to the income have been met. Other income, including tax recoverable from Gift Aid is credited on an accrual's basis.

Grant income relating to the Government Coronavirus Job Retention Scheme is recognised under the accrual model in line with staff costs and is included in other income.

Gifts and donations include amounts received at fundraising events and general gifts.

Legacies are accounted for at the earlier of:

- the date on which 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 charity that a distribution will be made; or
- when a distribution is made from the estate

Receipt of a legacy, in whole or 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 criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

CHAIN OF HOPE
Notes to The Financial Statements
For the year ended 31st March 2021

1) Accounting policies (continued)

e) Donation of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

No value is given to the donations which are given for subsequent auction as prizes at events due to difficulty, in many cases, of establishing a fair value of the donation.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

g) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- 'Costs of raising funds comprise of trading costs and the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- 'Expenditure on charitable activities includes the costs of delivering services, exhibitions and other educational activities undertaken to further the purposes of the charity and their associated support costs.
- 'Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Trusts artistic programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 6.

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

CHAIN OF HOPE
Notes to The Financial Statements
For the year ended 31st March 2021

1) Accounting policies (continued)

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £200. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

| | |
|-----------------------|-----|
| Fixtures and fittings | 25% |
| Computer equipment | 33% |
| Medical equipment | 25% |

l) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

n) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

o) Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

p) Pensions

The charity contributes to a defined contribution scheme on behalf of its employees. The assets of the scheme are held separately, from those of the company in an independently administered fund. The pension cost charged to the Statement of Financial Activities represents the amount due to the accounting period.

q) Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate. Foreign exchange gains and losses are shown within net gains or losses within the Statement of Financial Activities and treated as a movement on unrestricted funds.

r) Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

CHAIN OF HOPE
Notes to The Financial Statements
For the year ended 31st March 2021

1) Accounting policies (continued)

s) Judgement and key sources of estimation uncertainty

In the application of the charitable company's accounting policy, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period which the estimate is revised where the revision affects both current and future periods.

In assessing the inclusion of services provided to the charity as gifts in kind within these financial statements, the trustees have assessed the valuation of these gifts in kind through review of the costs of such services under standard procedures. These judgements are made in the light of the activity being undertaken based on management assessments.

2) Detailed comparatives for the statement of financial activities

| | 2020 Unrestricted £ | 2020 Restricted £ | 2020 Total £ |
|--|---------------------------|-------------------------|--------------------|
| Income from: | | | |
| Donations and legacies | 613,004 | 3,262,751 | 3,875,755 |
| Other trading activities | 376,363 | - | 376,363 |
| Other income | 10,974 | - | 10,974 |
| Total income | <u>1,000,341</u> | <u>3,262,751</u> | <u>4,263,092</u> |
| Expenditure on: | | | |
| Raising funds | 842,535 | 136,996 | 979,531 |
| Overseas activities | 74,635 | 2,516,653 | 2,591,288 |
| International child referral programme | 87,076 | 1,177,622 | 1,264,698 |
| Total expenditure | <u>1,004,246</u> | <u>3,831,271</u> | <u>4,835,517</u> |
| Net income / (expenditure) before other recognised gains and losses | (3,095) | (568,520) | (572,425) |
| Other gains | 39,646 | - | 39,646 |
| Net movement in funds | <u>35,741</u> | <u>(568,520)</u> | <u>(532,779)</u> |
| Transfer between funds | (1,120,248) | 1,120,248 | - |
| Total funds brought forward | 2,441,715 | 929,415 | 3,371,130 |
| Total funds carried forward | <u>1,357,208</u> | <u>1,481,143</u> | <u>2,838,351</u> |

CHAIN OF HOPE
Notes to The Financial Statements
For the year ended 31st March 2021

3) Income from donations and legacies

| | Unrestricted | Restricted | 2021 Total | 2020 Total |
|------------------|----------------|------------------|------------------|------------------|
| | £ | £ | £ | £ |
| Gifts | 309,824 | 1,091,637 | 1,401,461 | 1,950,528 |
| Donated services | 14,875 | 306,303 | 321,178 | 1,924,822 |
| Legacies | - | - | - | 405 |
| | 324,699 | 1,397,940 | 1,722,639 | 3,875,755 |

4) Income from other trading activities

| | Unrestricted | Restricted | 2021 Total | 2020 Total |
|------------------|--------------|------------|---------------|---------------|
| | £ | £ | £ | £ |
| Fundraising Ball | 135,385 | - | 135,385 | 376,363 |

5) Income from investments

| | Unrestricted | Restricted | 2021 Total | 2020 Total |
|---------------|--------------|------------|---------------|---------------|
| | £ | £ | £ | £ |
| Bank interest | 380 | - | 380 | 10,974 |

6) Other Income

| | Unrestricted | Restricted | 2021 Total | 2020 Total |
|----------------------------------|--------------|------------|---------------|---------------|
| | £ | £ | £ | £ |
| Coronavirus Job Retention Scheme | 142,396 | - | 142,396 | - |

7) Analysis of expenditure

| | Basis of allocation | Cost of raising funds | Overseas activities | ICRP | 2021 Total | 2020 Total |
|----------------------------------|---------------------|-----------------------|---------------------|------------------|------------------|------------------|
| | | £ | £ | £ | £ | £ |
| Staff costs | Direct / Headcount | 161,682 | 108,199 | 136,966 | 406,847 | 645,346 |
| Direct costs | Direct | 60,724 | 522,262 | 159,703 | 742,689 | 3,803,666 |
| Grants made | Direct | - | 736,627 | 7,247 | 743,874 | 142,012 |
| Grants written back | Direct | - | - | - | - | (61,627) |
| Support costs | Headcount | 74,792 | 47,431 | 60,202 | 182,425 | 301,120 |
| Total expenditure 2020/21 | | 297,198 | 1,414,519 | 364,118 | 2,075,835 | 4,835,517 |
| Total expenditure 2019/20 | | 979,531 | 2,591,288 | 1,264,698 | 4,835,517 | 4,760,131 |

Of the total expenditure, £297,198 was unrestricted (2020: £1,004,246), £1,778,637 was restricted (2020: £3,831,271).

Where costs cannot be directly attributed to a particular activity, a headcount method of apportionment is used.

CHAIN OF HOPE
Notes to The Financial Statements
For the year ended 31st March 2021

7) Analysis of expenditure (continued)

Included within support costs are governance costs of £31,002 (2020: £62,879).

During the year seven grants were made by Chain of Hope. Two grants of £15,000 and £1,749 were made to Chain of Hope Jamaica towards the salaries of the Fundraising Manager and Operations Coordinator. Four grants were made to Gift of Life International, £12,987 towards operations of children in Syria, £14,495 towards a training visit to Dominican Republic to treat 20 children, £14,495 to support the treatment of Romanian Children in Bucharest and £7,247 to support the surgeries of children in Jordan. A grant of £677,901 was made to The Heart Care and Research Foundation Rwanda towards the building of a centre in Kigali Rwanda for cardiovascular care and research.

8) Net Income / (expenditure) for the year

| This is stated after charging / (crediting): | 2021 | 2020 |
|--|-------------|-------------|
| | £ | |
| Operating lease rentals: | | |
| Property | 19,592 | 19,851 |
| Other equipment | 287 | 168 |
| Depreciation | 12,341 | 20,250 |
| Auditor's remuneration: | | |
| Audit fees | 9,940 | 10,200 |
| Accountancy services | 4,050 | 9,036 |
| Foreign exchange losses / (gains) | 77,871 | (39,646) |

9) Analysis of staff costs and employee benefits

| | 2021 | 2020 |
|---|----------------|----------------|
| | £ | £ |
| Salaries and wages | 363,637 | 538,388 |
| Temporary Staff | - | 49,263 |
| Social security costs | 36,673 | 55,020 |
| Employers NIC rebate | (4,000) | (12,000) |
| Employer's contribution to defined contribution pension schemes | 10,539 | 14,675 |
| | <u>406,849</u> | <u>645,346</u> |

The following number of employees received employee benefits (excluding employer pension) during the year in excess of £60,000:

| | 2021 | 2020 |
|-------------------|-------------|-------------|
| | No. | No. |
| £70,000 - £79,999 | <u>-</u> | <u>1</u> |

No employee received employee benefits (excluding employer pension) in excess of £60,000 during the current year.

The total termination payments made to staff was £16,895 (2020: £Nil).

CHAIN OF HOPE
Notes to The Financial Statements
For the year ended 31st March 2021

9) Analysis of staff costs and employee benefits (continued)

Staff Numbers

The average number of employees during the year was as follows:

| | 2021 | 2020 |
|-----------------------|-------------|-------------|
| | No. | No. |
| Raising funds | 2 | 4 |
| Charitable activities | 6 | 9 |
| Support | 2 | 3 |
| Governance | 1 | 1 |
| | <u>11</u> | <u>17</u> |

10) Trustee and key management remuneration and expenses

The total amount of employee benefits including pension contributions of key management personnel was £65,898 (2020: £73,561).

The charity trustees were not paid nor did they receive any other benefits from employment with the Trust (2020: £Nil). Travel expenses totalling £Nil (2020: £38 reimbursed to 1 trustee) were reimbursed during the year.

During the year 2 (2020: 3) Trustees made donations totalling £1,370 (2020: £75,850).

An Insurance policy in respect of Trustee Professional Indemnity has been taken out for the year ended 31 March 2021, at a cost of £672 (2020: £672).

11) Tangible fixed assets

| | Fixtures and fittings £ | Computer equipment £ | Medical equipment £ | Total £ |
|------------------------------|--|-------------------------------------|------------------------------------|--------------------|
| Cost | | | | |
| At the start of the year | 38,741 | 48,511 | 144,714 | 231,966 |
| Additions in year | - | 1,553 | - | 1,553 |
| Disposals | (7,559) | (17,395) | - | (24,954) |
| At the end of the year | <u>31,182</u> | <u>32,669</u> | <u>144,714</u> | <u>208,565</u> |
| Depreciation | | | | |
| At the start of the year | 34,111 | 41,915 | 133,817 | 209,843 |
| Eliminated on disposal | (7,560) | (17,396) | - | (24,956) |
| Charge for the year | 3,541 | 4,364 | 4,436 | 12,341 |
| At the end of the year | <u>30,092</u> | <u>28,883</u> | <u>138,253</u> | <u>197,228</u> |
| Net book value | | | | |
| As at 31st March 2021 | <u>1,090</u> | <u>3,786</u> | <u>6,461</u> | <u>11,337</u> |
| As at 1st April 2020 | <u>4,629</u> | <u>6,597</u> | <u>10,897</u> | <u>22,123</u> |

All of the above assets are used for charitable purposes.

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12) Debtors

| | 2021 | 2020 |
|----------------|----------------|----------------|
| | £ | £ |
| Other debtors | 23,002 | 121,161 |
| Prepayments | 26,566 | 63,520 |
| Accrued income | 57,313 | - |
| | <u>106,881</u> | <u>184,681</u> |

13) Creditors: Amounts falling due within one year

| | 2021 | 2020 |
|-------------------------------|----------------|----------------|
| | £ | £ |
| Trade creditors | 30,272 | 223,107 |
| Grants payable | 177,901 | - |
| Other creditors | 8,248 | 6,841 |
| Accruals | 85,818 | 113,814 |
| Other tax and social security | 9,550 | 17,299 |
| | <u>311,789</u> | <u>361,061</u> |

Included in other tax and social security is £1,526 (2020: £2,843) relating to pension creditor at the year end.

14) Operating Leases

Total future minimum lease payments under non-cancellable operating leases are as follow:

| Less than 1 year | Property | Property | Equipment | Equipment |
|-------------------------|-------------------|-------------------|-------------------|-------------------|
| | 31st March | 31st March | 31st March | 31st March |
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| | <u>-</u> | <u>16,340</u> | <u>287</u> | <u>264</u> |

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15) Movement in Funds

Donations made to Chain of Hope will in some circumstances have specific restrictions attached by the donor, whereby the funds can only be used for a specific purpose. In such circumstances the funds received are deemed to be 'restricted in nature'. It is the practice of the charity to utilise restricted funds as the primary source of funding where possible, supplementing activities with unrestricted funds where restricted funds have been exhausted, to ensure maximum operational delivery and to ensure the objectives of the charity are met. Where restricted funds do not cover the costs of the activities mentioned below, transfers are made from unrestricted funds to cover the overspend and will reflect the timing of income and spend.

Restricted funds in the year relate to:

Country Related Overseas Activities: Restricted to medical activity, in a specific country.

International Child Referral Programme: Restricted to medical interventions on overseas patients carried out by UK and overseas hospitals.

Medical Equipment for mission use: Restricted to the purchase of specific medical equipment.

Overseas Missions & Development: Restricted to overseas missions but not allocated to a specific country.

| | As at 1st April 2020 Total Fund £ | Incoming resources & gains £ | Outgoing resources £ | Transfers £ | As at 31st March 2021 Total Fund £ |
|---|--|---------------------------------------|----------------------------|------------------|--|
| Restricted funds: | | | | | |
| <i>Country Related Overseas Activities</i> | | | | | |
| Aswan | - | 452,047 | (379,463) | 72,269 | 144,853 |
| Burundi | 395,621 | - | - | (395,621) | - |
| Rwanda | 282,280 | - | (677,901) | 395,621 | - |
| Jamaica Fund | 61,238 | 25,363 | (23,478) | 1,716 | 64,839 |
| Other | - | 1,268 | - | - | 1,268 |
| <i>Child referral</i> | | | | | |
| Child Funding | 6,362 | 263,185 | (317,564) | 122,211 | 74,194 |
| Refugee Children | - | 28,699 | (46,554) | 18,107 | 252 |
| <i>Medical Equipment</i> | | | | | |
| Fund 1 | 353,717 | - | - | (43,879) | 309,838 |
| Fund 2 | - | 61,157 | (66,602) | 48,725 | 43,280 |
| <i>Overseas Missions & Development</i> | 381,925 | 566,221 | (267,075) | 5,821 | 686,892 |
| Total restricted funds | <u>1,481,143</u> | <u>1,397,940</u> | <u>(1,778,637)</u> | <u>224,970</u> | <u>1,325,416</u> |
| General Funds | 1,141,668 | 602,860 | (297,198) | (224,970) | 1,222,360 |
| Unrealised exchange gains | 215,540 | - | (77,871) | - | 137,669 |
| Total unrestricted funds | <u>1,357,208</u> | <u>602,860</u> | <u>(375,069)</u> | <u>(224,970)</u> | <u>1,360,029</u> |
| Total funds including pension fund | <u>2,838,351</u> | <u>2,000,800</u> | <u>(2,153,706)</u> | <u>-</u> | <u>2,685,445</u> |

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15) Movement in Funds (continued)

2019/20 Comparatives

| | As at 1st April 2019 Total Fund £ | Incoming resources & gains £ | Outgoing resources £ | Transfers £ | As at 31st March 2020 Total Fund £ |
|--|--|---|-------------------------------------|------------------------|---|
| Restricted funds: | | | | | |
| <i>Activities overseas</i> | | | | | |
| Aswan | 13,258 | 217,731 | 235,021 | 4,032 | - |
| Burundi | 95,621 | - | - | - | 395,621 |
| Rwanda | 100,000 | 118,750 | 36,470 | 100,000 | 282,280 |
| Sierra Leone | - | 544 | 544 | - | - |
| Jamaica Fund | - | 35,000 | (1,238) | 25,000 | 61,238 |
| <i>Child referral</i> | | | | | |
| Child Funding | 1 | 741,413 | 1,177,078 | 442,026 | 6,362 |
| <i>Medical Equipment</i> | 312,538 | 95,122 | 53,943 | - | 353,717 |
| <i>Overseas Missions & Development</i> | 107,997 | 1,917,195 | 2,192,457 | 549,190 | 381,925 |
| <i>Fundraising</i> | - | 136,996 | 136,996 | - | - |
| Total restricted funds | 929,415 | 3,262,751 | 3,831,271 | 1,120,248 | 1,481,143 |
| General Funds | 2,265,821 | 1,000,341 | 1,004,246 | (1,120,248) | 1,141,668 |
| Unrealised exchange gains | 175,894 | 39,646 | - | - | 215,540 |
| Total unrestricted funds | 2,441,715 | 1,039,987 | 1,004,246 | (1,120,248) | 1,357,208 |
| Total funds including pension fund | 3,371,130 | 4,302,738 | 4,835,517 | - | 2,838,351 |

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16) Analysis of net assets between funds

| | Unrestricted £ | Restricted £ | Total £ |
|--------------------------------------|-------------------|------------------|------------------|
| Fixed Assets | 4,876 | 6,461 | 11,337 |
| Cash and current investments | 1,334,012 | 1,545,004 | 2,879,016 |
| Other current assets / (liabilities) | 21,141 | (226,049) | (204,908) |
| Total | 1,360,029 | 1,325,416 | 2,685,445 |

2019/20 Comparatives

| | Unrestricted £ | Restricted £ | Total £ |
|--------------------------------------|-------------------|------------------|------------------|
| Fixed Assets | 11,225 | 10,898 | 22,123 |
| Cash and current investments | 1,320,112 | 1,672,496 | 2,992,608 |
| Other current assets / (liabilities) | (8,698) | (167,682) | (176,380) |
| Total | 1,322,639 | 1,481,143 | 2,838,351 |

17) Reconciliation of net income / (expenditure) to net cash flow from operating activities

| | 2021 £ | 2020 £ |
|--|------------------|------------------|
| Net income / (expenditure) for the reporting period | | |
| (as per the statement of financial activities) | (152,906) | (532,779) |
| Depreciation | 12,341 | 20,250 |
| Profit on disposal of fixed assets | (2) | - |
| Interest, rent and dividends from investments | (380) | (10,974) |
| Decrease in debtors | 77,800 | 181,320 |
| Decrease) in creditors | (49,272) | (22,679) |
| Net cash provided by / (used in) operating activities | (112,419) | (364,862) |

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18) Related party transactions

A daughter of one of the Trustees is employed part-time by the charity within the International Child Referral Programme and is employed under the same terms and conditions as all other employees.

Chain of Hope is a corporate board member of Chain of Hope Jamaica. During the year Chain of Hope made grants to Chain of Hope Jamaica towards the salary costs of the Fundraising Manager and Operations Coordinator amounting to £16,749 (2019/20: £57,473).

Professor Sir Magdi Yacoub is a Trustee of the Aswan Heart Centre and Chain of Hope. During the year payments were made to the Aswan Heart Centre amounting to £54,227 (2019/20: £147,093) in respect of the treatment of children under the International Child Referral Programme. £248,694 of consumable equipment was supplied to the Aswan Heart Centre (2019/20: £235,021).

Professor Sir Magdi Yacoub is Vice Chair and a Director of the Trustee Board of Directors of The Heart Care and Research Foundation Rwanda. During the year a grant of £677,901 (2019/20: £Nil) was made to The Heart Care and Research Foundation Rwanda.

Professor Sir Magdi Yacoub is a Trustee of The Magdi Yacoub Institute. During the year payments were made to The Magdi Yacoub Institute £1,921 (2019/20: £Nil) for Rapid Covid Tests and Human IL-6 Quantikine Kits.

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