
Company Registered Number: 3933420
Charity Registered Number: 1081384

CHAIN OF HOPE
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31ST MARCH 2023

**CHAIN OF HOPE
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**CHAIN OF HOPE
CHAIN OF HOPE TRUSTEES REPORT
FOR THE YEAR ENDING 31st MARCH 2023**

The Trustees are pleased to present their report, together with the financial statements, for the year ending 31 March 2023. 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 - 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

Honorary Vice Presidents

Countess Noemi Marone Cinzano

Mrs Sherine Sawiris

Mrs Dina Nassif

Trustees and Directors

Dr Gavin Wright – Chairman

Professor Victor Tsang – Vice Chair

Mr Jason Edel

Mr Jonathan Danos MBE (resigned 15th February 2023)

Professor Vibeke Hjortdal

Dr Alan Magee

Ms Maura O'Callaghan

Mrs Louise Perry – Treasurer (resigned 1st April 2023)

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.

Safeguarding Group

Mrs Mo O'Reilly – Retired social worker and Head of Placements at BAAF

Ms Maura O'Callaghan – Cardiac nurse and Lead Safeguarding Trustee

Ms Lucy Ossack – Director of Operations and Head of Governance

Ms Emma Scanlan – CEO

Ms Lisa Yacoub – ICRP Manager

Celebrity 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 Kendal

Mr & Mrs Robert Pires

Mr Colin Salmon

CHAIN OF HOPE
CHAIN OF HOPE TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDING 31st MARCH 2023

LEGAL AND ADMINISTRATIVE SUMMARY (CONTINUED)

Chief Executive Officer - Miss Emma Scanlan

Registered Offices

The Office Group
1 Lyric Square
Hammersmith
W6 ONB

Charity Bankers

Lloyds Bank plc
Kings Road
Chelsea
London SW3

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

Nationwide
Nationwide Building Society
Kings Park Road,
Moulton Park
NN3 6NW

Auditors

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

Legal Advisors

Russell-Cooke LLP
2 Putney Hill
London
SW15 6AB

Seddons
5 Portman Square
London W1H 6NT

**CHAIN OF HOPE
CHAIN OF HOPE TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDING 31st MARCH 2023**

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 do not have access to healthcare for free in the countries they are based.

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 of trustees 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 with the establishment of cardiac services and facilities in countries where they do not exist.

The charity has 4 main activities:

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

Immediate success is measured by the number of missions organised and the number of children treated in a reporting period. 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 2023**

ACHIEVEMENTS AND PERFORMANCE

During the year our hard-working staff and volunteers managed to perform a total of 438 complex cardiac procedures. The majority of patients were treated during 19 medical and surgical missions where we mobilised during the financial year. Other patients were reached through our sustainability programme where we continue to support the development of cardiac centres by providing vital equipment and supplies to the local healthcare professionals in the countries, to enable them to carry out procedures locally and autonomously.

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

Achievements against objectives set for the year 2022/23

Ethiopia:

Our objective was to provide vital supplies for the local team to treat 30 cases and to send two missions:

We managed to send two medical teams to Ethiopia as planned; one was an interventional catheter team led by Dr Jonathan Clague from the Royal Brompton Hospital who managed to treat 14 patients, the second was a surgical support team to help the local surgeons operate on five congenital heart disease patients at the Ethiopia Cardiac Centre. In addition to these 19 patients, 7 patients were treated by the local Ethiopian team utilising equipment, consumables and pharmaceuticals provided by Chain of Hope. In total 26 patients received treatment through two missions alongside sustainability support.

Uganda:

We aimed to provide consumables and devices for 20 children to be treated by local team and to provide one catheter mission:

We managed to provide consumables for a grant in partnership with Rotary to support the local team to treat 25 children over the grant period, 22 within this financial year. However, we did not yet manage to return to missions to Uganda post pandemic yet during this financial year and plans have been made for this in the coming year.

Refugee project: We aimed to conduct three missions to treat Syrian refugees and those from war torn countries, utilising hospitals in Jordan as a 'hub'.

We surpassed this goal and we actually managed to support a total of four cardiac surgical missions during the financial year carrying out a total of 57 procedures on 54 patients. The majority of children were either from refugee camps or children flown into Jordan by Chain of Hope from war torn countries such as Iraq and Yemen.

These missions were comprised of three teams led by volunteer surgeon Dr Mark Turrentine from Riley children's hospital who performed 44 procedures on children with heart disease. During our fourth mission to Jordan, we partnered with Gift of Life to support a team led by Dr Starnes and Dr Wong of LA Children's hospital who managed to conduct 10 open heart surgeries at Abdalee Hospital.

Dominican Republic: We aimed to support a mission to the DR in partnership with GOLI

We managed to support two missions to the Dominican Republic with our funds which were matched by a Rotary grant through our partnership with Gift of Life International. A total of 47 procedures were carried out on 38 children which was a great outcome for this partnership. Both missions were led by Gift of Life lead clinician Dr Rodrigo Soto and Interventional Cardiologist Dr Lee Benson.

CHAIN OF HOPE
CHAIN OF HOPE TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDING 31st MARCH 2023

Jamaica: We aimed to provide eight supplementary volunteer teams to treat a minimum of 60 patients

We achieved the goal of sending eight supplementary volunteer teams to support the local team conduct surgeries and catheter procedures on the waiting list of patients. Five of the missions were surgical and three of the missions were interventional catheter missions resulting in a total of 63 procedures on children whilst teaching the local team.

Kosovo:

Chain of Hope reached further children during the financial year by partnering with Gift of Life International to conduct three missions led by a medical team from Albany Hospital, New York. 67 procedures were performed on Kosovan children during these three missions.

Aswan: We aimed to provide a continued flow of medical consumables for Aswan Heart Centre to carry out operations.

We continued to supply vital medical consumables for Aswan to the value of £208,738 during the year to enable the Aswan Heart Centre to treat Egyptian patients.

ICRP: We aimed to transfer 30 patients for treatment through the individual referral programme

We managed to transfer 20 complex patients through the ICRP programme in this financial period. Whilst coming out of covid we still have not managed to go back to the volumes prior to covid. Most of these patients were treated at the Aswan Heart Centre where Chain of Hope fly's emergency cases to and funds their surgery or to the Children's hospital in Barcelona, Hospital Sant Joan de Deu.

Fundraising:

- We aimed to hold our Annual Gala Ball with a target revenue of £1.5 million.

We were delighted to finally hold our Annual Gala Ball after 3 years and surpassed our target by raising £1.879 million!

- We aimed to increase donations from trusts and other fundraising.

We managed to raise over £1.3 million from 'other' fundraising.

Governance:

- We aimed to roll out our safeguarding policy:

We implemented our new safeguarding policy with our Trustees, staff and volunteers by holding regular briefings and training. We established the Safeguarding Group led by our Safeguarding Trustee, Ms Maura O'Callaghan which oversees the safeguarding implementation as well as handling any safeguarding issues.

We began discussions with our key partners and developed safeguarding clauses for our agreements to help us safeguard our beneficiaries, volunteers, staff and partners. We continue to roll out our safeguarding agreements with partners and to influence and raise awareness with all our global partners.

- We aim to roll out a new training and induction programme for volunteers, staff and Trustees

We have managed to conduct training sessions for our Trustees. Staff and volunteers have undergone regular briefing and training sessions.

CHAIN OF HOPE
CHAIN OF HOPE TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDING 31st MARCH 2023

Grant Giving

The charity gives grants where this is a good way of achieving its objectives by providing grant funding to organisations with purposes and aims similar to our own charity aims. 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.

During the year, eight grants were made by Chain of Hope. Four grants were made to Chain of Hope Jamaica, £30,345 towards the salary of the Fundraising Manager and £1,374 towards the salary of an administrator. Four grants were made to Gift of Life International, £13,837 towards operations of children in Jordan, £10,256 to support the treatment of children in Uganda, two for £4,938 to support the surgeries of children in Kosovo.

During the year the balance of the grant awarded in respect of the construction of the Rwanda Hospital, £177,901, was written back as a result of the termination of the previous grant agreement with The Rwandan Heart Care and Research Foundation

In addition an MOU was created committing \$185,580.00 towards the training of Rwandan nurses at the Aswan Heart Centre.

Future Plans for 2023/24

Overseas Operations Objectives for the year 2023/2024

Jamaica

- We aim to send six (6) volunteer surgical teams to support the treatment of forty (40) cases
- We aim to send two (2) volunteer interventional catheter teams to support the treatment of twenty (20) cases
- We aim to establish a cardiac nursing training starting with a minimum of 6 nurses
- We aim to facilitate a perfusion training placement for one perfusionist
- We aim to continue to support the management of Chain of Hope Jamaica's remuneration
- We aim to support the Jamaica Children's Heart Centre with equipment to the value of £91,000.

Ethiopia

- We aim to provide vital supplies for the local team at the Ethiopia Cardiac Centre to treat thirty (30) cases
- We aim to send one surgical volunteer mission team to assist the local team with ten (10) cases
- We aim to send one (1) interventional catheter volunteer mission teams to assist the local team with ten (10) cases
- We aim to send one combined surgical and interventional catheter volunteer mission to assist the local team with fifteen (15) cases
- We aim to support the Cardiac Centre Ethiopia with £36k of equipment.

Uganda

- We aim to provide one combined surgical and interventional catheter volunteer team visit to assist the local team with seventeen (17) cases
- We aim to contribute to a GOLI grant to allow the local team to purchase devices to treat twenty-five (25) cases.

Refugee project

- We aim to conduct six COH full missions to Jordan to support the treatment of the refugees and children from war torn countries as well as local patients.

**CHAIN OF HOPE
TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDING 31st MARCH 2023**

Dominican Republic

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

Kosovo

We aim to partner with Gift of Life to support one mission to Kosovo.

Rwanda

- We aim to facilitate nursing training placements for 10 Rwandan nurses.

Gambia

- We aim to facilitate an echo clinic in the Gambia to follow up on patients previously treated by the COH ICRP programme.

ICRP

- We aim to transfer 24 patients overseas for treatment through the ICRP.

Fundraising

- We aim to hold the Gala Ball again this year and aim to raise a minimum of £1.57m.
- We aim to continue to increase our fundraising outside of the Gala and aim to raise a total of £998k.

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 hold quarterly board meetings and extra meetings where necessary during the year. 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 subject to re-appointment every four years and in recent years 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. Trustee positions are advertised, and external recruitment is encouraged for good practice and to increase the existing network of the charity.

During the financial year, one of our Trustees, Mr Jonathan Danos MBE, resigned from the board after seven years of service. We are grateful to Mr Danos for his service to the charity.

Additionally at the end of the financial year our Treasurer Louise Perry also sadly resigned from the board also but remains in place as volunteer Treasurer to oversee the completion of audited accounts until the charity finds a new Treasurer.

Personnel

As our operations have started to increase again, we recruited new staff to be able to increase activity. Over the year we recruited five new staff members, three of which were new positions post pandemic.

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, but objectives are reviewed on an on-going basis 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. All staffing salaries were benchmarked and adjusted accordingly. Adjustments were made to those staff who had had no pay rises in the prior years during the pandemic period.

CHAIN OF HOPE
CHAIN OF HOPE TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDING 31st MARCH 2023

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 Treasurer as Chair, the CEO, the Director of Operations, our legal Trustee and three other trustees, one surgeon, one cardiologist and our safeguarding Trustee. The Risk Committee review and update policies and recommend them to the trustees for approval. Material risks are considered on a rolling basis by the board. The Risk Committee also monitors potential serious incidents and provides a regular report on these to the board for their consideration.

Finance Group

The Finance Group, led by the Treasurer and comprised of the CEO, Finance Manager and Director of Operations, have continued to meet regularly, monitoring and reviewing financial processes, procedures and policies, the management accounts and the recording and usage of restricted funds received by the charity.

Financial risk issues raised are brought to the Risk Committee or the trustees where needed.

Gala Ball Fundraising Committee

The Gala Ball Committee is chaired by Mrs Sherine Sawiris, together with Vice-Chairs Mrs Dina Roushdi, Mrs Maria Sukkar and Mrs Cherine Helmy. The Committee has 15 members in total who have given their time to help raise the funds needed for this much celebrated annual event. 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.

This year the hardworking committee were about to organise the Gala Ball after a three-year gap, raising nearly £1.9 million. The Gala was a great success and was sponsored by global wealth management firm, Azura, along with other corporate sponsors. The evening included high profile entertainment from Paloma Faith and Beverley Knight.

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.

The Medical Committee meets monthly to review medical files of patients who are applying for medical treatment through Chain of Hope. Its 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 Sir Shakeel Qureshi, Dr Alan Magee and 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 heavily rely on volunteer ICU nurses, and they make up more than 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 a DBS is required.

**CHAIN OF HOPE
CHAIN OF HOPE TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDING 31st MARCH 2023**

Safeguarding Group

The Safeguarding Group was established during this financial year to discuss all safeguarding issues raised, discuss preventative measures required to protect beneficiaries, staff and volunteers and to plan the implementation of the safeguarding policy across the charity's activities and with its partners.

The group meets monthly and is chaired by our lead safeguarding Trustee Maura O'Callaghan and attended by Mo O'Reilly retired social worker and safeguarding advisor, the CEO, the Director of Operations and the Manager of ICRP.

Host Family Approval Panel

Mo O'Reilly also chairs this independently recruited panel of professionals/advisors which review the charity's applications from prospective carers volunteering to care for a child and relative during his or her stay in the UK. This process is in line with 'best practice'. This group met for the first time since the pandemic to re assess a 'host' for the first patient coming to the UK post Covid-19.

Unfortunately, Tom Narducci our former Child Protection Specialist, passed away during this year and we wish to pay tribute to his 20 years of advice and service to the charity.

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 donation of time and expertise to the charity is a huge component of all the work we carry out and a large amount of time liaising with our volunteers is essential to the success of the charity. Medical 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 work with partner hospitals around the world to help provide the highest quality care to children with heart disease as well as support NGOs and hospitals in the development of sustainable cardiac services.

We partner with grant giving organisations such as Gift of Life International and Rotary Foundation, as well as medical charities and medical institutions globally, ensuring that we are providing the very best expertise whilst not duplicating efforts.

Performance and Financial Position

In the year to 31st March 2023, total income amounted to £5.05m (2022: £2.09m) of which £3.77m (2022: £1.32m) was restricted in nature. The Gala Ball in November 2022 raised nearly £1.9 million, with £1.3 million being raised outside of the Ball during the rest of the year.

Gifts in kind amounting to £1.81m (2022: £0.94m) 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. The GIKS were higher than in previous financial period due to more mission activity. The charity incurred £3.91m of costs during the year (2022: £2.12m) including gifts in kind of £1.81m (2022: £0.94m).

CHAIN OF HOPE
CHAIN OF HOPE TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDING 31st MARCH 2023

Performance and Financial Position (continued)

The charity finished the year in a strong financial position with cash in bank of £3.79m (2022: £2.78m). This continues to ensure liquidity and enables the charity to gradually increase its level of activity. Financial performance will continue to be closely monitored with trustees receiving financial management accounts every other month.

Reserves

At the end of the reporting period the charity had reserves of £3.77m (2022: £2.63m). 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 keep the level of general reserves on 31 March 2023 to £750k. This represents 8-9 months of expected unrestricted expenditure for the following year.

This amount plus a contingency of £250k have been put in a separate savings account in Nationwide for a higher interest rate. This also provides extra financial comfort given current uncertainties.

Risk Management

The Risk Committee has been meeting every other month to review policies and procedures. Policies and procedures have been discussed at Risk Committee and then provided to the trustees for approval. Russell Cooke have continued to provide regular advice and training at Trustee meetings on key policies.

Diversity, Equality & Inclusion

Chain of Hope is fully committed to championing equality, diversity and inclusion and to continuously learn how to increase the diversification of our staff, network, 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.

Chairman's Statement

This financial year has been overall a great success with the charity operations being able to resume mobilising our volunteers on overseas missions and escorting patients around the world for treatment. We returned to live fundraising events and surpassed our expectations in fundraising both at our Gala Ball and in all fundraising during the year.

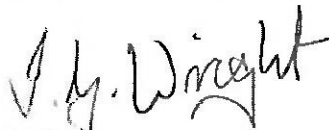
The charity also continued some of the activities we did during the pandemic supporting many of its projects by sending equipment and consumables enabling the local teams to conduct procedures.

We were able to do this once again thanks to our incredible loyal donor base who supported our efforts to continue to fundraise in an uncertain environment.

**CHAIN OF HOPE
CHAIN OF HOPE TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDING 31st MARCH 2023**

Chairman's Statement (continued)

A huge thank you to our committees, staff and volunteers for their hard work and efforts to help Chain of Hope bounce back after the pandemic to what we do best, helping children with heart disease. We are optimistic about what we can achieve in the coming year.



Gavin Wright

Chairman

20 August 2023

**CHAIN OF HOPE
CHAIN OF HOPE TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDING 31st MARCH 2023**

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 2023

Opinion

We have audited the financial statements of Chain of Hope (the 'charitable company') for the year ended 31st March 2023 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 2023, 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 2023

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 12, 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 2023

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.

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 2023

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

22 August 2023

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

CHAIN OF HOPE
Statement of financial activities
(Incorporating an income of expenditure account)
For the year ended 31st March 2023

		Unrestricted	Restricted	2023	2022
	Note	£	£	Total	Total
				£	£
Income from:					
Donations and legacies	3	718,207	3,766,331	4,484,538	2,048,042
Other trading activities	4	556,542	-	556,542	26,322
Investment income	5	11,650	-	11,650	236
Other	6	-	-	-	11,587
Total income		1,286,399	3,766,331	5,052,730	2,086,187
Expenditure on:					
Raising funds	7	763,514	-	763,514	330,370
Charitable activities:					
Overseas Activities	7	21,460	2,586,362	2,607,822	1,309,371
International Child Referral Programme	7	234,173	302,585	536,758	476,109
Total expenditure		1,019,147	2,888,947	3,908,094	2,115,850
Net income / (expenditure) before other recognised gains and losses		267,252	877,384	1,144,636	(29,663)
Net gains / (losses)	8	-	-	-	(29,085)
Net Movement in funds		267,252	877,384	1,144,636	(58,748)
Reconciliation of funds:		1,637,195	989,502	2,626,697	2,685,445
Total funds brought forward					
Total funds carried forward		1,904,447	1,866,886	3,771,333	2,626,697

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 20 - 31 form part of these financial statements.

CHAIN OF HOPE
Balance Sheet
As at 31st March 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets:					
Tangible assets	11		4,616		8,039
Current assets:					
Debtors	12	355,398		183,422	
Cash at bank and in hand		<u>3,792,637</u>		<u>2,782,774</u>	
		4,148,035		2,966,196	
Liabilities:					
Creditors: amounts falling due within one year	13	<u>(381,318)</u>		<u>(347,538)</u>	
Net current assets			<u>3,766,717</u>		<u>2,618,658</u>
Total assets less current liabilities			3,771,333		2,626,697
Total net assets			<u>3,771,333</u>		<u>2,626,697</u>
Funds	15				
Restricted funds			1,866,886		989,502
Unrestricted funds:					
General funds		<u>1,904,447</u>		<u>1,637,195</u>	
Total unrestricted funds			<u>1,904,447</u>		<u>1,637,195</u>
Total funds			<u>3,921,379</u>		<u>2,626,697</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 2023 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 30/03/23 and signed on their behalf by:



Dr Ian Gavin Wright
Chairman

Company Registration no. 3933420

The notes on pages 20 – 31 form part of the financial statements.

CHAIN OF HOPE
Statement of Cash Flows
For the year ended 31st March 2023

	Note	2023	2023	2022	2022
		£	£	£	£
Net cash (used in) operating activities	17		999,343		(91,342)
Cash flows from investing activities:					
Interest received		11,650		236	
Payments to acquire fixed assets		(1,130)		(5,136)	
Net cash used in financing activities			<u>10,520</u>		<u>(4,900)</u>
Change in cash and cash equivalent in the year			1,009,863		(96,242)
Cash and cash equivalent at the beginning of the year			2,782,774		2,879,016
Cash and cash equivalent at the end of the year			<u>3,792,637</u>		<u>2,782,774</u>
Cash and cash equivalent consists of:					
Cash at bank and in hand			2,292,637		1,782,698
Short term deposits			1,500,000		1,000,076
Cash and cash equivalent at 31st March 2023			<u><u>3,792,637</u></u>		<u><u>2,782,774</u></u>

CHAIN OF HOPE
Notes to The Financial Statements
For the year ended 31st March 2023

1) Accounting policies

a) Company Status

The company is a company listed by guarantee and has no share capital. The company is domiciled and incorporated in England and Wales. 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 2023

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 are essential to the work of the charity but do not directly relate to charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's 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 7.

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 2023

l) Accounting policies (continued)

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. 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 in 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 in 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 2023

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 in 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

	2022 Unrestricted £	2022 Restricted £	2022 Total £
Income from:			
Donations and legacies	739,959	1,308,083	2,048,042
Other trading activities	9,822	16,500	26,322
Investment income	236	-	236
Other income	11,587	-	11,587
Total income	<u>761,604</u>	<u>1,324,583</u>	<u>2,086,187</u>
Expenditure on:			
Raising funds	330,370	-	330,370
Overseas activities	-	1,309,371	1,309,371
International child referral programme	-	476,109	476,109
Total expenditure	<u>330,370</u>	<u>1,785,480</u>	<u>2,115,850</u>
Net income / (expenditure) before other recognised gains and losses	431,234	(460,897)	(29,663)
Other gains	(29,085)	-	(29,085)
Net movement in funds	402,149	(460,897)	(58,748)
Transfer between funds	(124,983)	124,983	-
Total funds brought forward	<u>1,360,029</u>	<u>1,325,416</u>	<u>2,685,445</u>
Total funds carried forward	<u>1,637,195</u>	<u>989,502</u>	<u>2,626,697</u>

CHAIN OF HOPE
Notes to The Financial Statements
For the year ended 31st March 2023

3) Income from donations and legacies

	Unrestricted	Restricted	2023 Total	2022 Total
	£	£	£	£
Gifts	716,945	1,953,284	2,670,229	1,111,031
Donated services	1,262	1,813,047	1,814,309	937,011
	<u>718,207</u>	<u>3,766,331</u>	<u>4,484,538</u>	<u>2,048,042</u>

4) Income from other trading activities

	Unrestricted	Restricted	2023 Total	2022 Total
	£	£	£	£
Fundraising Event	556,542	-	556,542	26,322

5) Income from investments

	Unrestricted	Restricted	2023 Total	2022 Total
	£	£	£	£
Bank interest	11,650	-	11,650	236

6) Other Income

	Unrestricted	Restricted	2023 Total	2022 Total
	£	£	£	£
Coronavirus Job Retention Scheme	-	-	-	11,587

7) Analysis of expenditure

	Basis of allocation	Cost of raising funds	Overseas activities	ICRP	2023 Total	2022 Total
		£	£	£	£	£
Staff costs	Direct / Headcount	234,086	135,519	97,084	466,689	369,487
Direct costs	Direct	425,802	2,530,916	399,475	3,356,193	1,549,151
Grants made	Direct	-	65,688	-	65,688	68,884
Grants written-back	Direct	-	(177,901)	-	(177,901)	-
Support costs	Headcount	103,626	53,600	40,199	197,425	128,328
Total expenditure 2022/23		<u>763,514</u>	<u>2,607,822</u>	<u>536,758</u>	<u>3,908,094</u>	<u>2,115,850</u>
Total expenditure 2021/22		<u>330,370</u>	<u>1,309,371</u>	<u>476,109</u>	<u>2,115,850</u>	<u>2,075,835</u>

Of the total expenditure, £1,019,147 was made from unrestricted funds (2022: £330,370), £2,888,947 was made from restricted funds (2022: £1,785,480).

Included in overseas activities direct costs is £150,046 that the Trustees have committed at the year end under a MOU for the training of Rwanda nurses in Aswan.

CHAIN OF HOPE
Notes to The Financial Statements
For the year ended 31st March 2023

7) Analysis of expenditure (continued)

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

Included within support costs are governance costs of £56,878 (2022: £47,479).

During the year eight grants were made by Chain of Hope. Four grants were made to Chain of Hope Jamaica, £30,345 towards the salary of the Fundraising Manager and £1,374 towards the salary of an Administrator. Four grants were made to Gift of Life International, £13,837 towards operations on children in Jordan, £10,256 to support the cost of treatment of children in Uganda, and two for £4,938 to support the surgeries of children in Kosovo.

During the year the balance of the grant awarded in respect of the construction of the Rwanda Hospital, £177,901, was written back.

8) Net Income / (expenditure) for the year

This is stated after charging / (crediting):	2023	2022
	£	
Operating lease rentals:		
Property	30,132	-
Other equipment	964	328
Depreciation	4,553	8,434
Auditor's remuneration:		
Audit fees	11,100	10,200
Accountancy services	4,772	4,074
Foreign exchange losses / (gains)	<u>2,7715</u>	<u>29,085</u>

Foreign exchange differences are shown in the SOFA with the related item of income or expenditure in 2023.

9) Analysis of staff costs and employee benefits

	2023	2022
	£	£
Salaries and wages	385,554	308,001
Temporary Staff	28,574	22,673
Social security costs	37,966	29,011
Employer's contribution to defined contribution pension schemes	11,459	9,801
Work permit costs	3,136	-
	<u>466,689</u>	<u>369,486</u>

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

	2023	2022
	No.	No.
£60,000 - £69,999	1	1
£70,000 - £79,999	-	-

CHAIN OF HOPE
Notes to The Financial Statements
For the year ended 31st March 2023

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

Staff Numbers

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

	2023	2022
	No.	No.
Raising funds	5	2
Charitable activities	5	4
Support	2	2
Governance	1	1
	<u>13</u>	<u>9</u>

10) Trustee and key management remuneration and expenses

The total amount of employee benefits including pension contributions of key management personnel was £80,866 (2022: £73,258).

The charity trustees were not paid nor did they receive any other benefits from employment with the Trust (2022: £Nil).

During the year 2 (2022: 2) Trustees made donations totalling £70 (2022: £269).

An Insurance policy in respect of Trustee Professional Indemnity has been taken out for the year ended 31 March 2023, at a cost of £672 (2022: £672).

11) Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Medical equipment £	Total £
Cost				
At the start of the year	27,817	28,071	148,537	204,425
Additions in year	-	1,130	-	1,130
Disposals	(26,744)	(9,894)	(35,723)	(72,361)
At the end of the year	<u>1,073</u>	<u>19,307</u>	<u>112,814</u>	<u>133,194</u>
Depreciation				
At the start of the year	27,817	25,403	143,166	196,386
Eliminated on disposal	-	1,571	2,982	4,553
Charge for the year	(26,744)	(9,894)	(35,723)	(72,361)
At the end of the year	<u>1,073</u>	<u>17,080</u>	<u>110,425</u>	<u>128,578</u>
Net book value				
As at 31st March 2023	<u>-</u>	<u>2,227</u>	<u>2,389</u>	<u>4,616</u>
As at 1st April 2022	<u>-</u>	<u>2,668</u>	<u>5,371</u>	<u>8,039</u>

All of the above assets are used for charitable purposes.

CHAIN OF HOPE
Notes to The Financial Statements
For the year ended 31st March 2023

12) Debtors

	2023	2022
	£	£
Other debtors	28,710	16,102
Prepayments	51,952	82,663
Accrued income	274,736	84,655
	<u>355,398</u>	<u>183,422</u>

13) Creditors: Amounts falling due within one year

	2023	2022
	£	£
Trade creditors	53,229	57,759
Grants payable	150,046	177,901
Other creditors	7,600	12,768
Accruals	156,363	89,763
Other tax and social security	14,080	9,347
	<u>381,318</u>	<u>347,538</u>

Included in other tax and social security is £2,264 (2022: £1,948) relating to the 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
	2023	2022	2023	2022
	£	£	£	£
	<u>88,560</u>	<u>-</u>	<u>1,138</u>	<u>328</u>

CHAIN OF HOPE
Notes to The Financial Statements
For the year ended 31st March 2023

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 that the objectives of the charity are met.

	As at 1st April 2022 Total Fund £	Incoming resources & gains £	Outgoing resources £	Transfers £	As at 31st March 2023 Total Fund £
Restricted funds:					
<i>Country Related Overseas Activities</i>					
Aswan 1	29,858	158,776	(47,041)	-	141,593
Aswan 2	135,415	250,394	(154,966)	-	230,843
Ethiopia Missions and Development (840) Fund 017	-	50,000	-	-	50,000
Jamaica 1	10,260	-	(10,260)	-	-
Jamaica 2	25,000	-	(25,000)	-	-
Jamaica Hardware Equipment Fund	-	2,000	-	-	2,000
Rwanda	-	5,000	175,554	-	180,554
Uganda	10,918	-	-	-	10,918
Other	1,718	675	-	-	2,393
<i>International Child Referral Programme</i>					
Child Funding	-	418,727	(302,585)	-	116,142
PH Fund	-	400,000	-	-	400,000
<i>Medical Equipment</i>					
Medical Equipment 1	298,138	16	(30,581)	-	267,573
Medical Equipment 2	4,201	33,125	(1,538)	-	35,788
<i>General Overseas Missions & Development</i>					
Training	473,994	2,420,961	(2,492,280)	-	402,675
Ukraine	-	20,000	-	-	20,000
	-	6,657	(250)	-	6,407
Total restricted funds	<u>989,502</u>	<u>3,766,331</u>	<u>(2,888,947)</u>	<u>-</u>	<u>1,866,886</u>
General Funds	1,528,611	1,286,399	(1,019,147)	-	1,795,863
Unrealised exchange gains	108,584	-	-	-	108,584
Total unrestricted funds	<u>1,637,195</u>	<u>1,286,399</u>	<u>(1,019,147)</u>	<u>-</u>	<u>1,904,447</u>
Total funds	<u>2,626,697</u>	<u>5,052,730</u>	<u>(3,908,094)</u>	<u>-</u>	<u>3,771,333</u>

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15) Movement in Funds (continued)

Restricted funds in the year relate to:

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

The Aswan 1 fund is restricted to work at the Aswan Heart Centre.

The Aswan 2 fund is restricted to the treatment of Egyptian children at the Aswan Heart Centre.

The Ethiopia Missions and Development fund is restricted to the cost of an overseas mission in Ethiopia.

The Jamaica 1 fund is restricted to the funding of a cardiac care manager as Chain of Hope Jamaica.

The Jamaica 2 fund is restricted to use on a cardiac catheter mission for the Bustamante Hospital in Jamaica.

The Jamaica Hardware equipment fund is restricted to the cost of hardware equipment for the Bustamante Hospital Jamaica.

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

The PH Fund is restricted to the treatment for children with heart disease globally.

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

The Medical Equipment 1 fund is restricted to the purchase of medical hardware equipment.

The Medical Equipment 2 fund is restricted to the purchase of medical equipment or cardiac consumables.

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

The Training fund was created for training healthcare professionals in the countries we support.

The Ukraine fund was collected through an appeal for equipment / consumables for Ukraine.

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15) Movement in Funds (continued)

2021/22 Comparatives

	As at 1st April 2021 Total Fund £	Incoming resources & gains £	Outgoing resources £	Transfers £	As at 31st March 2022 Total Fund £
Restricted funds:					
<i>Country Related Overseas Activities</i>					
Aswan 1	144,853	6,852	(121,847)		29,858
Aswan 2	-	219,913	(84,498)		135,415
Jamaica 1	64,839	-	(29,579)	(25,000)	10,260
Jamaica 2	-	-	-	25,000	25,000
Uganda	-	16,540	(5,622)	-	10,918
Other	1,268	450	-	-	1,718
<i>International Child Referral Programme</i>					
Child Funding	74,194	276,932	(476,109)	124,983	-
Refugee Children	252	15,000	(15,252)	-	-
<i>Medical Equipment</i>					
Medical Equipment 1	309,838	(500)	(11,200)	-	298,138
Medical Equipment 2	43,280	3,972	(43,051)	-	4,201
<i>General Overseas Missions & Development</i>					
	686,892	785,424	(998,322)	-	473,994
Total restricted funds	1,325,416	1,324,583	(1,787,480)	124,983	989,502
General Funds	1,222,360	761,604	(330,370)	(124,983)	1,528,611
Unrealised exchange gains	137,669	-	(29,085)	-	108,584
Total unrestricted funds	1,360,029	761,604	(359,455)	(124,983)	1,637,195
Total funds	2,685,445	2,086,187	(2,144,935)	-	2,626,697

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16) Analysis of net assets between funds

	Unrestricted £	Restricted £	Total £
Fixed Assets	2,227	2,389	4,616
Cash and current investments	1,814,859	1,997,778	3,792,637
Other current assets / (liabilities)	87,361	(113,281)	124,126
Total	1,904,447	1,866,886	3,921,379

2021/22 Comparatives

	Unrestricted £	Restricted £	Total £
Fixed Assets	2,668	5,371	8,039
Cash and current investments	1,583,395	1,199,379	2,782,774
Other current assets / (liabilities)	51,132	(215,248)	(164,116)
Total	1,637,195	989,502	2,626,697

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

	2023 £	2022 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	1,144,636	(58,748)
Depreciation	4,553	8,434
Interest, rent and dividends from investments	(11,650)	(236)
Increase in debtors	(171,976)	(76,541)
(Decrease)/Increase in creditors	33,780	35,749
Net cash provided by / (used in) operating activities	999,343	(91,342)

18) Related party transactions

A daughter of one of the Trustees is employed part-time by the charity working on the International Child Referral Programme and use of charity funds in Rwanda. She 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 and an Administrator amounting to £31,719 (2021/22: £23,979). As at the year end Chain of Hope Jamaica owed £9,079 (2021/22: £12,878) to the charity.

Professor Sir Magdi Yacoub is a Trustee of the Magdi Yacoub Heart Foundation and Chain of Hope. During the year payments were made to the Magdi Yacoub Heart Foundation amounting to £51,999 (2021/22: £60,159) in respect of the treatment of children under the International Child Referral Programme. £253,856 of consumable equipment was supplied to the Aswan Heart Centre (2021/22: £167,280). At the year end Chain of Hope owed the Magdi Yacoub Heart Foundation £19,487 (2021/22: £nil). The Aswan Heart Centre is managed by the Magdi Yacoub Heart Foundation.