



2023 Annual Report
and
Financial Statements

Hand in Hand International
Charity No: 1113868
For the year ended 31 March 2023

Status	The organisation is a charity registered by trust deed in England on 18 th February 2006.
Charity Number	1113868
Registered office and operational address	5 th Floor, Caparo House, 101 – 103 Baker Street London W1U 6LN
Trustees	Bruce Grant (Chairman) John Barrett Madhvi Chanrai (resigned June 2023) Carsten Jorgenson Lars Josefsson Paola Ugglä Stephanie Whittier
Senior officers	Dorothea Arndt – Chief Executive Officer Amalia Johnsson – Deputy CEO Stephanie Nicholson – Head of Finance and Compliance Jen Glyn – Head of Communications and Marketing Joe Dyson – Head of Philanthropy (left March 2023) Charlotte Strawa – Interim Head of Philanthropy (appointed March 2023)
Auditors	Buzzacott LLP Chartered Accountants Registered Auditors 130 Wood Street London EC2V 6DL

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The trustees present their report and the audited financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out therein and comply with the charity's governing document, applicable laws and 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 United Kingdom and the Republic of Ireland (FRS102).

Objectives and Activities

Vision

Our vision is a world where every woman has the power and the means to raise herself and her family out of poverty.

Mission

Our mission is to change lives by empowering women to beat the odds and succeed as entrepreneurs.

What we do

Women face barriers that men don't.

Right now, in communities across the developing world, roughly 400 million women and girls live below the poverty line of US \$2.15 a day, trapped by restrictive norms and attitudes that keep them from earning their own incomes, controlling their own assets, and making decisions for themselves.

To beat poverty for good, women must have an equal chance to earn and control their own incomes. Supporting women to run their own enterprises means more children in school, and more families with access to healthcare.

Through our unique, proven model, we support women to set up and run their own businesses on their own terms – lifting their families above the poverty line.

- First, we set up self-help groups where women support each other, save together, and learn together,
- Then we provide programme members with business and skills training.
- We make sure our members can access the loans and the tools they need to get started.
- Finally, we help women scale up their businesses, reaching bigger markets and stronger supply chains.

We also engage with whole communities to challenge restrictive norms and attitudes that hold women entrepreneurs back.

The Hand in Hand network spans regional operations in India, Afghanistan, Kenya, Tanzania and Zimbabwe. Three more offices in Sweden, the US and the UK provide programmes and governance support and fundraising.

How we measure success

Measurement is crucial because it allows us to assess the impact of our programmes, making data-driven decisions to improve their effectiveness – helping us achieve our mission of helping women entrepreneurs lift themselves and their families out of poverty.

Our Monitoring, Evaluation and Learning (MEL) team works closely with in-country colleagues across Hand in Hand's global network to collect accurate data from our project members through routine project monitoring and periodic project evaluations. These valuable insights enable us to refine and improve our projects throughout their lifecycle.

We measure four key metrics:



Income uplift

Entrepreneurs increase revenue to make more money from their businesses



Business survival rate

Enterprises are still operational more than one year after launch



Financial resilience

Women can get through a financial shock, such as a bad harvest or unexpected medical bill, without having to sell an asset or get into debt.



Women's decision-making power

Women can have their say about the things that matter to them, such as household purchases, healthcare and being able to leave the home to visit family and friends.

We also measure outputs and outcomes such as training graduation rates, application of target business practices, number of enterprises and jobs created, savings amounts, access to credit, and market linkages.

To understand the broader impacts of our projects on our members' livelihoods and quality of life, we use a simplified 'Most Significant Changes' approach, asking project participants to tell us what the most significant change in their life was after completing a project with Hand in Hand.

Significant activities

Hand in Hand International's significant activities as displayed on the Statement of Financial Activities are:

1. Raising funds
2. Supporting people in Afghanistan
3. Supporting people in India
4. Supporting people in Kenya
5. Supporting people in Tanzania

Supporting projects in Hand in Hand's operating countries involves providing technical assistance in strategy, governance, programme development and implementation, monitoring, evaluation and learning, safeguarding, communications and marketing.

Achievements and Performance

Network-wide, Hand in Hand created and enhanced 637,453 jobs in 2022/23.

Here in the UK, at Hand in Hand International, we set ourselves the following goals in last year's Trustees' Report:

Fundraising

Raise \$15.1M in-year, for this and future years

During the financial year to 31 March 2023, we received \$7.6M in income and secured an additional \$4.2M in multi-year grant funding for future years, bringing the combined funds raised in the year to \$11.8M against our target of \$15.1M. We are entering the new financial year with a strong pipeline of pending proposals worth over \$10M.

Start raising funds for a fifth country

We engaged a consultant to conduct an analysis of potential countries for expansion, focussing on Ethiopia, Rwanda, Uganda, and Zambia. Criteria for country selection included: need (e.g., poverty levels, gender inequality); probability of success for our model; operating environment; and availability of funding. Based on this research, the Board of Trustees and Senior Leadership Team selected Uganda as the focus country for expansion of operations.

Programmes

Increase bargaining power for women: secure funding for one flagship project to roll out best practice in Women's Economic Empowerment

This year we submitted \$4.47m worth of proposals and secured \$390,000 in funding for one flagship project to roll out best practice in Women's Economic Empowerment.

Achieve external recognition for the results achieved in our acceleration programmes

This year we shared our results and learnings through two sector-focussed events. We secured funding for a \$1.5M urban acceleration project that will focus on digital skills, digital marketing, and e-commerce.

Achieve external recognition for planet-friendly agriculture

We shared our learnings about regenerative agriculture and circular economy – presenting initial findings from our project with IKEA Foundation at a sector-focussed event hosted by BBC Rural Affairs correspondent Tom Heap and securing coverage in three sector publications.

Best in class data: create a digital data dashboard

We engaged a Data Architect to map our data flows and to provide three possible solutions for the dashboard. We have selected our preferred solution and identified two potential service providers. We are in the process of submitting a funding request to move forward with the build.

A sector-beating team

Acting as an employer of choice – we achieved a recommender score of 100%, measured via our annual staff survey. Recognising that diversity drives excellence and innovation, we aim to become an inclusive and diverse employer. Over 33% of new staff and volunteers were recruited from groups that are historically underrepresented in the charity sector.

Plans for Future Periods

Hand in Hand International's priorities for the coming financial year, set during our annual strategic review, are:

Fundraising

Raise \$15.98M in-year, for FY23/24 and future years

We will secure \$15.98M total income, comprising funds banked in the financial year to 31 March 2024 and new multi-year grant income to be banked in future years. As of 1st April 2023, \$5.11M is secured to be banked during the year, leaving a target for new funds to be raised of \$10.87M.

Due to the international nature of our supporters we record our fundraising activities in USD. However, the Financial Review on page 11 and the financial statements and notes to the financial statements are all presented in GBP.

Start raising funds for a fifth country

We will decide whether to proceed with expansion into Uganda by March 2024, subject to findings of a scoping analysis and successful Country Manager recruitment. Scoping will include desk research into potential NGO partners, in-depth conversation with potential funders, and in-country visits to Uganda for meetings with potential partner NGOs and other local stakeholders. Proposed subsequent steps include development of and fundraising for a joint consortium or organic growth project, financial audits of shortlisted NGOs, and acquisition of trademarks.

Programmes

Increase bargaining power for women

We will secure at least one lighthouse project to cement the role of women as entrepreneurs in their community. To achieve this, we will submit \$4M worth of proposals for projects implementing our gender transformative model.

Accelerating past the poverty line

In our flagship rural acceleration project, the vast majority of members will surpass the lower middle-income benchmark, with 80% of members exceeding \$3.20 net profit per day.

Cultivating Regenerative Agriculture so farmers can thrive

We will secure at least one lighthouse project to implement our new regenerative agriculture curriculum at scale. To achieve this, we will submit \$7.7M worth of proposals for projects implementing our regenerative agriculture curriculum.

Best in class data

We will be able to access timely, verified, visual data on a dashboard, evidencing our programmes' impact. The data dashboard will reflect quarterly data for a consistent set of 10 indicators per project across all current and recent projects.

Sector-beating team

We will have a 23-strong team in place in a workplace that supports innovation, collaboration, productivity, and wellbeing.

Structure and Governance

Governing Document

The charity was registered by trust deed on 18 February 2006 and registered as a charity on that date.

Recruitment and Appointment of Trustees

As set out in the Trust Deed, the Board of Trustees nominates the Chair of the Trustees. The Board has powers to appoint additional Trustees as it considers in-line with skills required.

Induction and Training of New Trustees

New trustees are considered on the basis of any gaps in the skills of the board. They are invited to meet the existing trustees and senior members of staff and familiarise themselves with the work of Hand in Hand International. Further training is provided on an on-going basis in line with the identified needs of trustees. Trustees sign a conflict of interest declaration each year and declare any conflicts of interest to the agenda at the start of each Board Meeting. Trustees receive safeguarding training and sign the safeguarding code of conduct.

Public Benefit statement

The Trustees confirm they have complied with Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

Serious Incidents

There were no serious incidents reported to the Charity Commission in FY22/23.

Risk Management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The trustees have assessed the major risks to which the charity is exposed, relating to operational areas of the charity, its investments, and its finances.

A written risk register is in place and reviewed at every board meeting, outlining key risks the Charity faces and mitigating controls. The trustees believe that by monitoring reserve levels, ensuring strong financial controls, and examining regularly the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

In December 2022, a ban on women working for NGOs was imposed in Afghanistan, resulting in some delays to project implementation. Currently an exemption has been made for vocational training and operations have resumed. The trustees and Senior Leadership Team will continue to monitor the situation closely.

Going Concern

The trustees have assessed the use of going concern and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern.

The trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. The cash flow to 31 March 2025 indicates that the charity will continue to be able to meet its financial commitments through the year and for a period of at least one year from the date of approval of these financial statements.

Remuneration of Staff

The governing principles of the Charity's remuneration policy are as follows:

- To ensure delivery of the Charity's objectives
- To attract and retain a motivated workforce with the skills and expertise necessary for organisational effectiveness
- That remuneration should be equitable and coherent across the organisation
- To take account of the purposes, aims and values of the Charity
- To ensure that pay levels and pay increases are appropriate in the contexts of the interest of our beneficiaries.

In relation to deciding remuneration of the charity's senior executives, the charity considers the potential impact of remuneration levels and structures of senior executives on the wider Charity workforce. The Charity takes into account the following additional principles:

- To ensure that the Charity can access the types of skills, experiences, and competencies that it needs in its senior staff.
- The nature of the wider employment offer made to senior employment, where pay is part of a package that includes personal development, personal fulfilment and association with the public benefit delivered.

Salaries for existing and new roles are benchmarked on an annual basis against multiple sector salary reports, to ensure that they are within acceptable ranges for the not-for-profit sector.

Investment Policy

Hand in Hand International receives income for ongoing projects over a three to five year time period and budgets to spend all anticipated income, except for retaining a prudent amount in reserves. It has no permanent endowment and provides for capital expenditure within its budget. Consequently, the trustees do not consider it prudent to invest income for the longer term. Its policy is to retain funds as cash and place them on bank deposit at the best rates available.

Fundraising

We do not actively solicit funds via telephone, email, mail, or through third party fundraising organisations. Through general asks via our newsletter and social media, we offer the option for individuals to donate online via the Hand in Hand International website. There are a number of invite-only fundraising events held throughout the year at which individual donations are made.

We are committed to the highest standards of accountability and follow the Charity Commission's and the Institute of Fundraising's guidance on best practice in fundraising.

During the year there were no complaints about fundraising.

Sustainability

In recognition of the extensive consequences of climate change, our plans for the future period include a particular emphasis on regenerative agriculture in our programmes and increasing the

energy efficiency of our London office. We will consider when international travel is necessary and limit this when possible, to minimise our carbon footprint.

Diversity and Inclusion

Hand in Hand International has a Diversity and Inclusion working group that oversees initiatives to improve the Charity's inclusiveness. Areas of focus include staff training, recruitment processes, and workplace policies. The working group has implemented changes to recruitment processes, resulting in over a third of new staff and volunteers being recruited from groups that are historically underrepresented in the charity sector. Diversity and inclusion training for all staff was undertaken in March 2022 and in July 2023.

Safeguarding

Our detailed approach to safeguarding is set out in our Safeguarding Policy and Safeguarding Code of Conduct. The Charity is committed to:

- Upholding the integrity and reputation of Hand in Hand International by ensuring that professional and personal conduct is consistent with the Charity's values and standards.
- Ensuring the safety, health, and welfare of all Hand in Hand project participants, through their interaction with our organisation, as well as all Hand in Hand Staff and associated personnel (volunteers, partners, suppliers and contractors).

In accordance with the Charity's Safeguarding Code of Conduct and Whistleblowing Policy, all staff are obligated to bring to the attention of the relevant manager any potential incident, abuse, or concern that they witness, suspect, or of which they are made aware, which appears to breach the standards of the Safeguarding Code of Conduct.

The Charity has Safeguarding Focal Points on its board and two staff Safeguarding Leads. Hand in Hand International carries out basic Disclosure and Barring Service (DBS) checks on all employees and is a member of the Misconduct Disclosure Scheme, which aims to prevent perpetrators of sexual misconduct from moving between organisations undetected.

The staff Safeguarding Leads undertook a comprehensive safeguarding training course with Bond (the international development network) in April 2022. An online safeguarding training course was completed by all existing staff in August 2022 and is now being completed by new joiners as part of their induction.

Reference and Administrative

Trustees

The trustees in office during the year were:

Mr. Bruce Grant
Mr. John Barrett
Dr. Madhvi Chanrai (resigned June 2023)
Mr. Carsten Jorgensen
Mr. Lars G Josefsson
Mrs. Paola Ugglä
Ms. Stephanie Whittier

Financial Review

Total income for the year was £6,254,070. This was a decrease of £372,704 (6%) on the previous year. Fundraising capacity during the year was impacted by sector-wide challenges in recruitment. In addition, several funding application process timelines were extended, meaning that some anticipated income was not secured before 31 March 2023. However, the Charity is beginning FY23/24 with a strong pipeline of pending proposals as a result.

Donations from Corporate Foundations represented a lower proportion of income in the financial year at 39%, whereas income from Governments and Institutions increased to 16% and income from Trusts and other Foundations increased to 24%. This constitutes a good balance of funding from a range of income streams, with remaining income secured from events (11%), corporate partnerships (6%), and individual giving (4%).

Unrestricted income increased by £175,781 (22%) compared to the previous financial year. The proportion of unrestricted income compared to total income received in the year increased to 15%, building on an increase in the previous financial year from 9% to 12%.

Expenditure supporting projects increased in Afghanistan by £791,975 (136%), in Kenya by £735,270 (20%), and in Tanzania by £605,492 (55%). Total expenditure in India was zero in 2022/23, following completion of our recent project in the country. The increase in restricted spend in our countries of operation is due to sending funds brought forward at the end of FY21/22, which resulted in a planned total deficit in FY22/23 of £1,416,346 (2022: surplus £968,281).

Expenditure on raising funds in the financial year to 31 March 2023 was £425,459 (2022: £348,341). This increase of 22% is in line with Hand in Hand International's strategic aim to increase fundraising capacity, despite aforementioned challenges in recruitment.

Reserves Policy

Total funds at 31 March 2023 are £5,140,059 (2022: £6,556,405). This is an overall decrease of £1,416,346 on the prior year. The decrease relates to spending of restricted fund balances brought forward from previous years.

Unrestricted free reserves are £1,131,321 at 31 March 2023 (2022: £780,774). The reserves policy is to hold six months' core expenditure which is equal to £850,000 based on the budget for FY23/24. Unrestricted free reserves are equal to approximately eight months of core expenditure and therefore the required balance is held at the year end. The surplus will be spent on UK expenditure in FY23/24 or used to support our network partners.

£299,764 has been transferred out of the existing designated fund, being the reduction of the EIF loan debtor balance, through repayments to Hand in Hand International from its network partner Hand in Hand Eastern Africa, and funds spent on increasing headcount in line with our strategic plan. The balance on 31 March 2023 is £904,754 (2022: £1,204,518), and this will continue to be spent over the coming years.

A new designated fund has been created for match funding future projects. This fund will enable Hand in Hand to unlock significant new funding partnerships requiring match funding in coming years, based on previous success using this approach. The fund balance is £808,465.

The movements in restricted, unrestricted and designated funds is shown in Note 14 to the accounts.

Trustees' Responsibilities in relation to the Financial Statements

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law requires trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charity and of its income and expenditure for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements;
- prepare the financial statements on the going concern basis, unless it is deemed inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Day to day management of the charity is delegated to Dorothea Arndt, CEO, and the senior management team.

Approved by the trustees and signed on their behalf by:


Bruce Grant

Chairman of Hand in Hand International

Date:

27.9.2023

Independent auditor's report to the trustees of Hand in Hand International

Opinion

We have audited the accounts of Hand in Hand International (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet principal accounting policies and the notes to the accounts. 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 accounts:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of 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 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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts 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 charity's ability to continue as a going concern for a period of at least twelve months from when the accounts 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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in 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 there is a material misstatement in the accounts or a material misstatement of the other information. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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 accounts; or
- sufficient accounting records have not been kept; or
- the accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

- we identified the laws and regulations applicable to the charity through discussions with management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Charity, including data protection legislation, anti-bribery, safeguarding, employment, health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias. In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:
 - agreeing financial statement disclosures to underlying supporting documentation;
 - reading the minutes of organisation meetings;
 - enquiring of management as to actual and potential litigation and claims; and
 - reviewing any available correspondence with HMRC (where relevant) and the Charity's legal advisors (although none was noted as being received by the Charity).

As a result of our procedures we did not identify any key audit matters relating to irregularities.

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 trustees 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.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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.

A handwritten signature in dark ink that reads "Buzzacott LLP". The signature is written in a cursive, flowing style.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 29 September 2023

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of Financial Activities for the year ended 31 March 2023

	Note	Restricted £	Unrestricted £	Designated £	Total 2023	Restricted £	Unrestricted £	Designated £	Total 2022 £
Income from:									
Donations and Grants	2	5,286,594	964,660	-	6,251,254	5,835,079	782,145	-	6,617,224
Other income		-	-	-	-	-	9,375	-	9,375
Interest		-	2,816	-	2,816	-	175	-	175
Total Income		5,286,594	967,476	-	6,254,070	5,835,079	791,695	-	6,626,774
Expenditure on:									
Raising funds		-	425,459	-	425,459	-	348,341	-	348,341
Charitable expenditure									
Supporting people in Afghanistan		1,322,826	52,115	-	1,374,941	434,570	148,396	-	582,966
Supporting people in India		-	-	-	-	112,554	1,684	-	114,238
Supporting people in Kenya		4,251,397	133,882	-	4,385,279	3,486,416	163,593	-	3,650,009
Supporting people in Tanzania		1,658,213	40,387	-	1,698,600	1,046,733	46,375	-	1,093,108
Total Expenditure	3	7,232,436	651,843	-	7,884,279	5,080,273	708,389	-	5,788,662
Net income/(expenditure) before foreign exchange gains/(losses)		(1,945,842)	315,633	-	(1,630,209)	754,806	83,306	-	838,112
Foreign exchange gains/(losses)		-	213,863	-	213,863	-	130,169	-	130,169
Net income/(expenditure) for the year		(1,945,842)	529,496	-	(1,416,346)	754,806	213,475	-	968,281
Transfers between funds		(323,451)	(185,250)	508,701	-	55,021	167,447	(222,468)	-
Funds brought forward		4,541,260	810,627	1,204,518	6,556,405	3,731,433	429,705	1,426,986	5,588,124
Funds carried forward	14	2,271,967	1,154,873	1,713,219	5,140,059	4,541,260	810,627	1,204,518	6,556,405

There was no furlough income included in Other Income (2022: £9,375).

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 to 29 form part of these accounts.

Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £
Fixed Assets			
Tangible Assets	7	23,552	29,853
Long term debtors	8	197,451	377,395
Current Assets			
Debtors	9	1,694,622	1,501,464
Cash at bank		3,743,483	4,945,451
		<u>5,438,105</u>	<u>6,446,915</u>
Creditors: Amounts due in one year	10	519,049	297,758
Net current assets		<u>5,116,507</u>	<u>6,526,552</u>
Net assets	11	<u>5,140,059</u>	<u>6,556,405</u>
Funds			
Restricted funds		2,271,967	4,541,260
Designated fund		1,713,219	1,204,518
Unrestricted funds		1,154,873	810,627
Total funds	14	<u>5,140,059</u>	<u>6,556,405</u>

The notes on pages 20 to 29 form part of these accounts.

Authorised for issue and approved by the trustees on

27.9.2023



Bruce Grant

Chairman

Charity number: 1113868

Cash Flow Statement for the year ended 31 March 2023

	2023	2022
	£	£
Cash flows from operating activities	(1,416,346)	968,281
Net income/(expenditure) for the year		
Adjustments for:		
Interest Received	(2,816)	(175)
Depreciation of fixed assets	9,618	8,973
Decrease/(Increase) in debtors	(13,214)	(1,025,236)
(Decrease)/Increase in creditors	221,291	262,039
Net cash (used in) operating activities	(1,201,467)	213,882
Purchase of tangible fixed assets	(3,317)	(6,038)
Interest received	2,816	175
Net cash from investing activities	(501)	(5,863)
Change in cash and cash equivalents in the year	(1,201,968)	208,019
Cash and cash equivalents at beginning of year	4,945,451	4,737,432
Cash and cash equivalents at end of the year	3,743,483	4,945,451

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the Charity and the cash and cash equivalents.

Notes to the Financial Statements for the year ended 31 March 2023

1. Accounting policies

a) The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The charity is a public benefit entity for the purposes of FRS 102 and therefore has also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP) and Charities Act 2011. The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

Going concern

The trustees have assessed whether the use of going concern is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. In particular, the trustees have considered the charity's forecasts and projections and have taken account of pressures on income streams. After making enquiries, the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

b) All income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably. Donations and grants are recognised in the Statement of Financial Activities when receivable. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met.

c) Gifts in Kind are included as donated income at market value at the time of receipt.

d) Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered. Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All costs are directly attributable to specific activities. Total expenditure has been allocated to either Direct Programmes, Fundraising or Support costs. UK expenditure on programmes has been included in restricted spend under Direct Programmes. Fundraising costs are included as Direct spend rather than Support Costs as fundraising is a core activity.

Support costs are split out between building costs, office costs, audit fees, legal and professional fees, trustees' expenses, staff and consultancy costs, travel costs, and fundraising costs. The methodology of allocating support costs to network partner countries is based on direct spend on charitable activities.

e) Depreciation is provided at rates to write off the cost of each asset by equal annual instalments over their expected useful lives as follows.

Office equipment	4 years
Leasehold improvements	10 years

Assets costing more than £500 are capitalised.

f) Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund. All restricted programme income to be spent in the UK has been recognised as restricted income, where previously this was recognised as unrestricted income in line with the treatment of expenditure.

g) Unrestricted funds are donations and other income receivable are generated for the objects of the charity.

h) Designated funds are also unrestricted funds but have been designated by the trustees for a particular purpose. The EIF and Strategic Plan Designated Fund is made up of the EIF (Enterprise Incubation Fund) loan debtor value and an amount for the increase in headcount as set out in the strategic plan. The Match Funding Designated Fund has been created in the financial year to 31 March 2023 to support future co-funding opportunities.

i) Rental payments under operating leases are charged as expenditure as incurred over the term of the lease.

j) The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charity to the fund. The charity has no liability under the scheme other than for the payment of those contributions.

k) Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the net incoming resources for the year.

Critical accounting estimates and areas of judgement

l) In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

Other financial instruments

m) Cash and cash equivalents include cash at banks and short-term deposits with a maturity of three months or less.

n) Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

2. Donations and Grants

	Restricted £	Unrestricted £	2023 Total £
Corporate Foundations	2,403,071	-	2,403,071
Corporate Donors	298,344	81,748	380,092
Individual Donations	133,220	129,440	262,660
Governments & Institutions	962,954	-	962,954
Trusts & Foundations	1,489,005	39,844	1,528,849
Events	-	713,628	713,628
	5,286,594	964,660	6,251,254

Included within Donations from Corporate Donors are Gifts-in-Kind of £71,748 (2022: £82,299) and the corresponding expenditure is included in support costs (Note 4).

Income from corporate foundations includes income of GBP 554,992 (EUR 634,702) from the IKEA Foundation for a multi-year project to develop Hand in Hand's capacity in circular economy and regenerative agriculture.

	Restricted £	Unrestricted £	2022 Total £
Corporate foundations	4,028,303	-	4,028,303
Corporate donors	602,977	92,302	695,279
Individual donations	136,777	103,449	240,226
Governments and Institutions	425,839	-	425,839
Trusts and Foundations	641,183	122,485	763,668
Events	-	463,909	463,909
	5,835,079	782,145	6,617,224

3. Net Expenditure

Net expenditure is stated after the following expenses:

	2023 £	2022 £
Depreciation	9,618	8,973
Auditor's remuneration	12,900	9,295
Operating lease payments	59,680	61,109

4. Analysis of Total Expenditure & Support Costs

	Restricted direct costs	Unrestricted direct costs	Designated	Support Costs		2023	Restricted direct costs	Unrestricted direct costs	Designated	Support Costs		2022
				Staff Costs	Other Costs					Staff Costs	Other Costs	
	£	£	£	£	£	£	£	£	£	£	£	£
Costs of raising funds												
Fundraising costs	-	405,578	-	10,172	9,709	425,459	-	322,931	-	14,666	10,744	348,341
Charitable Activities												
Supporting people in Afghanistan	1,322,826	-	-	15,531	36,584	1,374,941	434,570	-	-	9,832	138,564	582,966
Supporting people in India	-	-	-	-	-	-	112,554	-	-	972	712	114,238
Supporting people in Kenya	4,251,397	-	-	68,499	65,383	4,385,279	3,486,416	-	-	94,421	69,172	3,650,009
Supporting people in Tanzania	1,658,213	-	-	18,822	21,565	1,698,600	1,046,733	-	-	26,766	19,609	1,093,108
	7,232,436	405,578	-	113,024	133,241	7,884,279	5,080,273	322,931	-	146,657	238,801	5,788,662

Included in Restricted Direct Costs spent on *Charitable Activities - Supporting people in Kenya* is £801,361 relating to a project funded by the IKEA Foundation for a multi-year project to develop Hand in Hand's capacity in circular economy and regenerative agriculture.

Analysis of Support Costs 2023

	All costs	Fundraising	Supporting people in Kenya	Supporting people in Tanzania	Supporting people in Afghanistan	Supporting people in India
Building costs	5,902	532	3,577	982	811	-
Trademarks	77	7	46	13	11	-
Office costs	8,626	776	5,228	1,437	1,185	-
Audit fees	860	77	522	143	118	-
Legal and professional	67,038	6,033	40,629	11,164	9,212	-
Trustees' expenses	1,056	95	640	176	145	-
Staff and other consultancy	113,024	10,172	68,499	18,822	15,531	-
Travel costs	4,071	366	2,468	678	559	-
Country Expenses	25,360	-	-	3,600	21,760	-
Strategic Initiatives	20,251	1,823	12,273	3,372	2,783	-
	246,265	19,881	133,882	40,387	52,115	-

2022

	All costs	Fundraising	Supporting people in Kenya	Supporting people in Tanzania	Supporting people in Afghanistan	Supporting people in India
Building costs	13,443	1,346	8,654	2,453	901	89
Trademarks	-	-	-	-	-	-
Office costs	95,698	1,001	6,447	1,828	86,356	66
Audit fees	1,206	121	776	220	81	8
Legal and professional	128,001	8,232	53,002	15,025	51,196	546
Trustees' expenses	454	45	293	83	30	3
Staff and other consultancy	146,657	14,666	94,421	26,766	9,832	972
Travel costs	-	-	-	-	-	-
Country Expenses	-	-	-	-	-	-
Strategic Initiatives	-	-	-	-	-	-
	385,459	25,411	163,593	46,375	148,396	1,684

5. Staff Costs and numbers

	2023	2022
	£	£
Salaries and wages	744,201	642,704
Social security costs	84,512	71,506
Pension contribution	45,162	39,389
	<u>873,875</u>	<u>753,599</u>

The number of employees earning over £60,000 in the year is as follows:

	2023	2022
	Nos	Nos
£70,000 - £80,000	1	1
£90,000 - £100,000	1	1

The average weekly number of employees (full time equivalents) during the year was as follows:

	2023	2022
	Nos	Nos
Operational programmes	6.9	5.7
Fundraising and publicity	6.4	5.1
Management and administration	1.3	1.3
	<u>14.6</u>	<u>12.1</u>

The average headcount of employees was 17 (2022: 14).

Key management personnel include the trustees, CEO, Deputy CEO, Head of Philanthropy, Head of Communications and the Head of Finance and Compliance. The total employee benefits of the charity's key management personnel were £384,404 (2021/22: £397,304).

Every year a charity sector pay benchmarking exercise is carried out to ensure that salaries are in line with other similar organisations.

No trustee received any remuneration or other employment benefit during the financial year. (2021/22: nil).

£1,056 relating to 1 trustee was spent on travel expenses for board meetings during 2022/23 (2021/22: 2 trustees, £455).

6. Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

7. Tangible fixed assets

	Leasehold improvements £	Office Equipment £	Total £
Cost			
At 1 April 2022	49,991	45,661	95,652
Additions in year	-	3,316	3,316
As at 31 March 2023	49,991	48,977	98,968
Depreciation			
At 1 April 2022	29,994	35,804	65,798
Charge in the year	4,999	4,619	9,618
As at 31 March 2023	34,993	40,423	75,416
Net Book Value			
At 31 March 2023	14,998	8,554	23,552
At 31 March 2022	19,997	9,856	29,853

All fixed assets are used to fulfil the charity's objects.

8. Long term debtors

	2023 £	2022 £
Rent Deposit	43,320	43,320
Enterprise incubation funds	154,131	334,075
	197,451	377,395

The Enterprise incubation funds have been made to Hand in Hand Eastern Africa to enable them to make micro-loans to beneficiaries. They are public benefit entity loans that are not repayable on demand and were loaned to the beneficiary as part of the purposes of the charity's objects.

There is a five-year repayment plan in place for Hand in Hand Eastern Africa to repay the full balance. In the year, one repayment of £147,341 was made as part of the repayment plan. £154,131 is due to be repaid in the year to March 31 2024, and the remaining balance of £154,131 is due to be repaid by March 31 2025.

9. Debtors: amounts due within one year

	2023 £	2022 £
Accrued Income	1,495,979	1,310,195
Other debtors	-	1,853
Prepayments	44,512	35,742
EIF Loan	154,131	153,674
	1,694,622	1,501,464

10. Creditors: amounts due within one year

	2023	2022
	£	£
Taxation and social security	-	23,365
Accruals	22,094	23,258
Trade Creditors	496,955	251,135
	519,049	297,758

11. Analysis of net assets between funds

2023	Restricted funds	Unrestricted funds	Designated funds	Total funds
	£	£	£	£
Tangible fixed assets	-	23,552	-	23,552
Current assets	2,760,669	1,161,668	1,713,219	5,635,556
Current liabilities	(488,702)	(30,347)	-	(519,049)
Net assets as at 31 March 2023	2,271,967	1,154,873	1,713,219	5,140,059

2022	Restricted funds	Unrestricted funds	Designated Funds	Total funds
	£	£	£	£
Tangible fixed assets	-	29,853	-	29,853
Current assets	4,786,821	832,971	1,204,518	6,824,310
Current liabilities	(245,561)	(52,197)	-	(297,758)
Net assets as at 31 March 2022	4,541,260	810,627	1,204,518	6,556,405

12. Related parties

The following transactions were made during the year:

2023				
Connected Charity	Nature of relationship	Total amount sent/(received) in the year	Amount owing to connected entity at year end	Nature of transactions
HiH Sweden	Sister organisation	(50,457)	-	Donations
HiH Kenya	Implementing Partner	3,102,361	488,702	Transfers for projects
HiH Tanzania	Implementing Partner	1,495,538	-	Transfers for projects
HiH Afghanistan	Implementing Partner	1,223,739	-	Transfers for projects
HiH India	Implementing Partner	-	-	Transfers for projects
Friends of Hand in Hand	Sister organisation	(1,264,360)	-	Donations

2022				
Connected Entity	Nature of relationship	Total amount sent/(received) in the year	Amount owing to connected entity at year end	Nature of transactions
HiH Sweden	Sister organisation	243,995	-	Forwarding donations
HiH Kenya	Implementing Partner	2,920,516	-	Transfer for projects
HiH Tanzania	Implementing Partner	918,941	-	Transfer for projects
HiH Afghanistan	Implementing Partner	466,262	228,611	Transfer for projects
HiH India	Implementing Partner	108,216	-	Transfer for projects
Friends of Hand in Hand	Sister organisation	(267,380)	-	Donations

Amalia Johnsson, Deputy CEO, is Chair of Hand in Hand Eastern Africa and is also a trustee of Hand in Hand Afghanistan.

Dorothea Arndt, CEO, is a trustee of Hand in Hand Eastern Africa.

Bruce Grant, Chair, and Dorothea Arndt are trustees of Friends of Hand in Hand, a charity registered in the United States of America.

Transactions with Trustees

During the year 2022/23 2 trustees made donations (2021/22: 3). These trustees donated a total of £522,857 (2021/22: £371,058). 1 company related to a trustee made donations in the year, including 1 donation in kind (2021/22: 2). The total of these donations was £64,384 (2021/22: £241,754). Donations from family members of trustees were £112,297 in total (2021/22: £130,090).

13. Obligations under operating leases

	2023	2022
	Land and buildings	Land and buildings
	£	£
Within 1 year	60,529	60,529
Between 1-5 years	140,760	201,290
	<u>201,289</u>	<u>261,819</u>

14. Movements in funds

2023

	Balance at 1 April 2022	Income	Expenditure	Foreign Exchange Gains	Transfers	Balance at 31 March 2023
	£	£	£	£	£	£
Restricted Funds						
Afghanistan	422,064	1,272,393	(1,322,826)	-	(20,482)	351,149
India	-	-	-	-	-	-
Kenya	3,000,435	3,089,864	(4,251,397)	-	(247,745)	1,591,157
Tanzania	1,118,761	924,337	(1,658,213)	-	(55,224)	329,661
	<u>4,541,260</u>	<u>5,286,594</u>	<u>(7,232,436)</u>	<u>-</u>	<u>(323,451)</u>	<u>2,271,967</u>
Unrestricted Funds						
Unrestricted funds	810,627	967,476	(651,843)	213,863	(185,250)	1,154,873
Designated funds - match funding	-	-	-	-	808,465	808,465
Designated funds - EIF & Strategic Plan	1,204,518	-	-	-	(299,764)	904,754
	<u>2,015,145</u>	<u>967,476</u>	<u>(651,843)</u>	<u>213,863</u>	<u>323,451</u>	<u>2,868,092</u>
	<u>6,556,405</u>	<u>6,254,070</u>	<u>(7,884,279)</u>	<u>213,863</u>	<u>-</u>	<u>5,140,059</u>

2022

	Balance at 1 April 2021	Income	Expenditure	Foreign Exchange Gains	Transfers	Balance at 31 March 2022
Restricted funds						
Afghanistan	21,174	797,681	(434,570)	-	37,779	422,064
India	-	104,809	(112,554)	-	7,745	-
Kenya	2,849,103	3,652,207	(3,486,416)	-	(14,459)	3,000,435
Tanzania	861,156	1,280,382	(1,046,733)	-	23,956	1,118,761
	<u>3,731,433</u>	<u>5,835,079</u>	<u>(5,080,273)</u>	<u>-</u>	<u>55,021</u>	<u>4,541,260</u>
Unrestricted Funds						
Unrestricted funds	429,705	791,695	(708,389)	130,169	167,447	810,627
Designated funds	1,426,986	-	-	-	(222,468)	1,204,518
	<u>1,856,691</u>	<u>791,695</u>	<u>(708,389)</u>	<u>130,169</u>	<u>(55,021)</u>	<u>2,015,145</u>
	<u>5,588,124</u>	<u>6,626,774</u>	<u>(5,788,662)</u>	<u>130,169</u>	<u>-</u>	<u>6,556,405</u>

Transfers relate to cumulative foreign exchange gains/losses at the end of individual projects. More details of these reserves, including the designated funds, are given in the Financial Review within the Trustees' Report