

DROP OF COMPASSION

England & Wales · Charity number 1151443

Details

Status Registered

Legal form Charitable company

Company number [08393664](#)

Registered 2013-03-28

Register [View on the Charity Commission register](#)

Contact

Address 9 Exton Road
Leicester
LE5 4AF

Phone 01164422126

Email info@dropofcompassion.org

Website www.dropofcompassion.org

Activities

Objects: (1)TO RELIEVE FINANCIAL HARDSHIP,DISTRESS AND SUFFERING AMONG POOR PEOPLE,VICTIMS OF NATURAL AND MAN-MADE DISASTERS AND OTHER PEOPLE IN NEED,BY MEANS OF,BUT NOT EXCLUSIVELY,MAKING GRANTS OR LOANS FOR PROVIDING OR PAYING FOR ITEMS,EQUIPMENT,SERVICES AND FACILITIES,INCLUDING THE ESTABLISHMENT OF IRRIGATION SYSTEMS,WATER WELLS,AND WATER SANITATION SYSTEMS FOR THE BENEFIT OF THE SAID PERSONS;(2)TO PROMOTE SUSTAINABLE DEVELOPMENT FOR THE BENEFIT OF THE PUBLIC BY THE PRESERVATION,CONSERVATION AND THE PROTECTION OF THE ENVIRONMENT AND THE PRUDENT USE OF RESOURCES,AND THE PROMOTION OF SUSTAINABLE MEANS OF ACHIEVING ECONOMIC GROWTH AND REGENERATION,SUCH THAT SUSTAINABLE DEVELOPMENT MEANS DEVELOPMENT WHICH MEETS THE NEEDS OF THE PRESENT WITHOUT COMPROMISING THE ABILITY OF FUTURE GENERATIONS TO MEET THEIR OWN NEEDS;(3)TO ADVANCE EDUCATION FOR THE BENEFIT OF THE POOR,THE UNDERPRIVILEGED AND THE GENERAL PUBLIC BY MEANS OF,BUT NOT EXCLUSIVELY,THE PROVISION OR THE ASSISTANCE IN THE PROVISION OF EDUCATIONAL ACTIVITIES AND FACILITIES,SUCH AS SCHOOLS,LIBRARIES AND TRAINING CENTRES,AND THE PROVISION OF VOCATIONAL TRAINING AND ADULT LEARNING PROGRAMMES;(4)TO RELIEVE SICKNESS AND TO PRESERVE GOOD HEALTH AMONG THE POOR AND PEOPLE IN NEED BY MEANS OF,BUT NOT EXCLUSIVELY,THE PROVISION OR ASSISTANCE IN THE PROVISION OF SERVICES,FACILITIES,EQUIPMENT,CLINICS,MEDICINES OR GRANTS FOR MEDICAL DIAGNOSIS AND TREATMENT,AND PROVISION OF HEALTH EDUCATION(5)TO ADVANCE ISLAM FOR PUBLIC BENEFIT BY MEANS THOUGHT FIT BY THE TRUSTEES FROM TIME TO TIME.

Activities: To serve the needs of the deprived communities mainly in Malawi, Bangladesh, Yemen, India, England and other countries by providing LONG TERM SUSTAINABLE SOLUTIONS through our core focus areas: GIVE WATER, HEALTHCARE, EDUCATION, SUSTAINABLE LIVELIHOODS, EMERGENCY RELIEF (International).

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Buildings/facilities/open Space, Provides Services
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, The Prevention Or Relief Of Poverty, Overseas Aid/famine Relief, Accommodation/housing, Religious Activities, Environment/conservation/heritage, Economic/community Development/employment
- **Who:** Children/young People, Elderly/old People, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- Afghanistan
- Bangladesh
- Malawi
- Pakistan
- Sudan
- Tanzania
- Yemen
- Zambia
- Leicestershire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-02-28	£906,107	£977,353	£550,442	0
2024-02-29	£1,088,199	£1,101,809	£621,688	0
2023-02-28	£1,095,825	£1,032,138	£635,298	0
2022-02-28	£958,183	£853,634	£571,611	0
2021-02-28	£1,134,462	£1,024,431	£467,062	0

Trustees

Name	Role	Appointed
HANIF YUSUF LAMBAT	Chair	2013-03-27
ISMAIL YUSUF PATEL		2013-03-27
Irfan Harun Chhatbar		2015-03-24
MUHAMMAD YUSUF PATEL		2013-03-27
OMAR MANSUR ISMAIL		2013-03-27
SAJID CHOPDAT		2013-03-27
SHO'AYB MUSSA LAMBAT		2013-03-27

DROP OF COMPASSION

England & Wales - Charity number 1151443

Accounts

REGISTERED COMPANY NUMBER: 08393664 (England and Wales)
REGISTERED CHARITY NUMBER: 1151443

**TRUSTEES' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28TH FEBRUARY 2025
FOR
DROP OF COMPASSION
(A COMPANY LIMITED BY GUARANTEE)**

**Watergates Ltd
109 Coleman Road
Leicester
Leicestershire
LE5 4LE**

DROP OF COMPASSION
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FOR THE YEAR ENDED 28TH FEBRUARY 2025

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DROP OF COMPASSION
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 28TH FEBRUARY 2025

TRUSTEES

Mr I H Chhatbar
Mr S Chopdat
Mr O M Ismail
Mr S M Lambat
Mr H Y Lambat
Mr I Y Patel
Mr M Y Patel

REGISTERED OFFICE

9 Exton Road
Leicester
LE5 4AF

**REGISTERED COMPANY
NUMBER**

08393664 (England and Wales)

REGISTERED CHARITY NUMBER 1151443

INDEPENDENT EXAMINER

Watergates Ltd
109 Coleman Road
Leicester
Leicestershire
LE5 4LE

DROP OF COMPASSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 28TH FEBRUARY 2025

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 28th February 2025. The trustees have adopted the provisions of 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) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

To relieve financial hardship, distress and suffering among poor people, victims of natural and man-made disasters and other people in need, by means of, but not exclusively, making grants or loans for providing or paying for items, equipment, services and facilities, including the establishment of irrigation systems, water wells, and water sanitation systems for the benefit of the said persons.

To promote sustainable development for the benefit of the public by the preservation, conservation and the protection of the environment and the prudent use of resources, and the promotion of sustainable means of achieving economic growth and regeneration, such that sustainable development means development which meets the needs of the present without compromising the ability of future generations to meet their own needs.

To advance education for the benefit of the poor, the underprivileged and the general public by means of, but not exclusively, the provision or the assistance in the provision of educational activities and facilities, such as schools, libraries and training centres, and the provision of vocational training and adult learning programmes.

To relieve sickness and to preserve good health among the poor and people in need by means of, but not exclusively, the provision or assistance in the provision of services, facilities, equipment, clinics, medicines or grants for medical diagnosis and treatment, and provision of health education.

To advance islam for public benefit by means thought fit by the trustees from time to time.

Significant activities

During this financial year, we have carried out the following work:

LEICESTER AND UNITED KINGDOM PROJECTS

Drop of Compassion continued to support local initiatives that promote inclusion, wellbeing and opportunity for vulnerable groups in Leicester and the wider UK.

Little Treasures

We continued our support for Little Treasures, which offers tailored Islamic education for children with special educational needs (SEN). The classes are designed to be inclusive and supportive, ensuring that every child can learn about their faith in a safe and nurturing environment.

Spinney Hill Addiction Recovery Support

We maintained our partnership with Spinney Hill, which provides vital addiction recovery support for individuals struggling with substance abuse. The programme offers counselling, support groups and guidance to help individuals and their families through the recovery process.

DROP OF COMPASSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 28TH FEBRUARY 2025

OBJECTIVES AND ACTIVITIES

GREAT CENTRAL COMMUNITY ASSOCIATION (GCCA)

We supported GCCA, the Turkish Centre for Refugees in Leicester, through a mosque support and refugee education programme. Working in partnership with local mosques, including the Turkish Mosque, we helped to provide educational programmes for refugees, including language classes, vocational training and cultural integration support. These initiatives enable refugees to rebuild their lives and become active members of the community.

Highfields Adventure Playground (HAPA)

We provided support and donations to HAPA in Leicester. HAPA offers a safe and stimulating environment for children to play, learn and grow. A wide range of activities, from sports to creative arts, helps children to develop social skills, confidence and a strong sense of community.

Healing Little Hearts - International Health Camps

We also supported Healing Little Hearts, a UK-based charity that delivers specialist paediatric cardiac care overseas. Every year, more than a million children worldwide are born with congenital heart disease, yet only a small proportion receive the life-saving treatment they need. During the year, we sponsored two medical teams to travel to Fiji and Zambia to carry out life-saving heart operations on children who would otherwise have limited or no access to such treatment.

MALAWI PROJECTS

Our Malawi portfolio focuses on long-term sustainable solutions across water, healthcare, education, sustainable living and emergency relief, transforming some of the poorest communities in the world. During the year we expanded and strengthened our projects, with a particular focus on improving access to clean water, strengthening community-based healthcare and supporting vulnerable families through food and housing support.

Water

During the year we implemented five new irrigation schemes, enabling communities to grow crops more reliably and improve food security. We also drilled five new boreholes, providing safe drinking water to communities that previously relied on unsafe or distant sources.

In addition, we focused on restoring existing infrastructure through an extensive borehole repair programme, repairing 100 boreholes across the Mangochi and Makanjira districts.

These interventions collectively improved access to clean water for thousands of people, reducing the risk of waterborne diseases and saving time, particularly for women and children who would otherwise walk long distances to collect water.

Healthcare

Our health work in Malawi continued to centre around community-based clinics that provide accessible, affordable and high-quality care, with a strong emphasis on maternal and child health.

Somba Health and Maternity Clinic:

Somba Health and Maternity Clinic provide comprehensive healthcare services, from treating common illnesses to supporting mothers throughout pregnancy and childbirth.

- Approximately 3,500 patients are treated each month
- Over 500 deliveries per year are safely supported at the clinic

DROP OF COMPASSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 28TH FEBRUARY 2025

OBJECTIVES AND ACTIVITIES

Makanjira Health and Maternity Clinic:

Located in a rural area with limited alternative services, Makanjira Health and Maternity Clinic offers essential healthcare to communities that would otherwise have no access to medical care. The clinic treats a wide range of conditions, including HIV, malaria and waterborne diseases, ensuring that mothers and children receive the care they need to thrive.

- Approximately 5,000 patients are treated each month
- Over 500 deliveries per year take place at the clinic

Together, these clinics significantly reduce preventable illness and maternal and infant mortality in their catchment areas.

Education

Education remains a cornerstone of our work in Malawi, providing children and young people with the foundations they need for a better future. This year, we:

- Supplied school furniture and learning resources to Mikundi and Masuku, including desks, office furniture, blackboards, tables, cabinets, textbooks, stationery, curtains, gardening tools and sporting equipment.
- Constructed three new school blocks and a kitchen block across Mikundi, Masuku and Kwiputi, creating safer, more functional learning environments and enabling schools to accommodate more pupils.
- Continued to support school feeding at Mikundi Primary, helping children to focus on their studies and improving attendance.
- Provided seven university sponsorships, enabling talented but financially disadvantaged students to access higher education and develop the skills needed to contribute to their communities and the wider economy.

These initiatives collectively strengthen the education system at multiple levels, from primary to tertiary.

Sustainable Living

Our sustainable living initiatives are designed to help families move from dependency towards self-reliance by building up household assets and livelihood opportunities. This year, we:

- Distributed 72 goats through pass-on schemes, enabling vulnerable families to build up small herds over time and share the benefit with others in their communities.
- Provided 46 bicycles, improving mobility for work, schooling and access to essential services, particularly in rural areas where transport options are limited.
- Constructed nine homes for vulnerable families, providing safe, dignified shelter for those living in inadequate housing conditions.

These interventions not only improve day-to-day living standards but also strengthen resilience against shocks such as poor harvests or rising food prices.

Emergency Response and Food Security

Alongside our long-term development programmes, we continued to respond to urgent needs through seasonal and emergency food support. During the year we:

- Distributed 124 Iftaar packs during Ramadan, enabling families to eat with dignity.
- Provided over 4,000 bags of 20kg maize meal during the hunger crisis, helping households to cope with severe food shortages.
- Distributed meat from over 200 goats throughout the year, ensuring that vulnerable families had access to nutritious protein on key occasions.

These interventions helped to stabilise food security for the most vulnerable households and complemented our longer-term work in water, livelihoods and education.

DROP OF COMPASSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 28TH FEBRUARY 2025

OBJECTIVES AND ACTIVITIES

Community Development Hubs (Sustainable Villages)

A key strand of our work in Malawi involves developing integrated community development hubs that bring our objectives together in one place. These hubs are being established in areas that were once barren or severely under-resourced and are gradually being transformed into vibrant community spaces with clean water, homes, schools and health facilities. To date we have developed six such hubs, benefitting thousands of people, in locations including Somba, Mikundi, Masuku, Kwiputi, Katema and Chigwaga. Through this model we aim not only to meet immediate needs, but also to build the infrastructure and opportunities that allow communities to thrive in the long term.

ROHINGYA REFUGEE CAMPS AND BANGLADESH

Our support to Rohingya refugees and vulnerable communities in Bangladesh continued throughout the year, focusing on food security, shelter and access to safe water. Both the refugee camps and disaster-affected areas of Bangladesh remain extremely fragile, with families facing ongoing displacement, poverty and limited livelihood opportunities.

Food and Emergency Support (Rohingya Camps)

During the year we helped to provide regular cooked meals and hot food in the Rohingya camps, ensuring that families had access to basic, nutritious meals despite their challenging circumstances. In total, we supported the provision of 62,100 cooked and hot meals in the Rohingya camps.

These distributions helped thousands of refugees, including many children, elderly people and single-headed households, to meet their daily food needs.

Homes (Rohingya Camps)

Many shelters in the camps are weak and vulnerable to heavy rain and strong winds. During the year we supported the reconstruction and repair of 100 homes within the Rohingya camps, helping families to live in safer, more secure shelters and restoring a degree of dignity and stability.

Disaster Response and Community Support (Bangladesh)

Bangladesh is highly prone to natural disasters, including floods, cyclones and landslides, which can displace thousands of families at a time. These emergencies often leave communities without access to clean water, shelter and basic necessities. In response, we provided:

- 471 food packs for vulnerable families in Bangladesh
- 2,071 emergency food packs for families affected by flooding
- 1,000 winter clothing packs, helping families to stay warm and protected during the colder months
- Targeted cash assistance for vulnerable families, enabling them to meet urgent needs such as food, medicine and shelter

We also supported communities by providing:

- 30,000 cooked meals
- 9,670 hot Iftaar meals
- 571 food packs in Bangladesh

These interventions, alongside targeted cash assistance, ensured that families could eat with dignity and that those facing acute hardship had access to essential food supplies and other basic needs.

DROP OF COMPASSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 28TH FEBRUARY 2025

OBJECTIVES AND ACTIVITIES

Water and Sanitation (Bangladesh)

Access to safe water is critical in disaster-prone areas, where existing infrastructure is often damaged or destroyed. During the year we:

- Delivered six water tankers, supplying clean water to communities in need
 - Repaired five wells, restoring sustainable local water sources
 - Installed or repaired 86 water hand pumps, improving day-to-day access to safe water for hundreds of families
- These water interventions reduce the risk of waterborne diseases and ensure that communities have a more reliable supply of clean water, particularly in the aftermath of emergencies.

YEMEN PROJECTS

Yemen remains in a protracted humanitarian crisis, with many families struggling to meet their basic needs. During the year our support focused on simple, high-impact assistance:

- 1,000 food packs for vulnerable households
- 1,000 hot meals for those facing acute food shortages
- £25,000 in cash assistance, enabling families to cover essentials such as food, medicine and shelter with dignity

PAKISTAN PROJECTS

In Pakistan we funded 200 cataract operations (around £50 per surgery), helping low-income patients at risk of blindness to restore their sight and independence through trusted local medical partners.

Public benefit

The Trustees have given due consideration to the Charity Commission's published guidance on the Public Benefit Requirement.

Volunteers

We have a small number of volunteers who assist on an ad-hoc basis mainly during the month of Ramadhan for pledge days and fundraising activities.

DROP OF COMPASSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 28TH FEBRUARY 2025

STRATEGIC REPORT

Achievements and performance

UNITED KINGDOM

During the year our UK work focused on targeted, partnership-based projects that promote inclusion, wellbeing and opportunity. Through Little Treasures we supported children with special educational needs to access tailored Islamic education in a safe, nurturing environment. Our partnership with Spinney Hill strengthened local addiction recovery support, while work with GCCA, Highfields Adventure Playground and Healing Little Hearts enabled us to reach refugees, vulnerable children and children overseas in need of life-saving heart surgery.

Collectively, these initiatives demonstrate our commitment to addressing need locally and globally through trusted community partners. In the longer term, we aim to build on these relationships and to maintain a flexible, needs-led UK programme that can adapt as local priorities change.

MALAWI

In Malawi we continued to take a holistic, area-based approach that combines water, healthcare, education, sustainable livelihoods and emergency food support. New irrigation schemes and boreholes, together with an extensive programme of borehole repairs, have strengthened water security for many communities. Our community health clinics at Somba and Makanjira provide accessible, high-quality care with a strong emphasis on maternal and child health.

Investment in school infrastructure, furniture, feeding and university sponsorships is improving educational opportunity from primary through to higher education, while livestock, bicycles, new homes and food support have helped vulnerable families build resilience and cope with the current hunger crisis. We also continued to roll out our community development hub model, gradually transforming under-resourced villages into more self-sufficient communities with access to water, basic services and economic opportunities.

ROHINGYA REFUGEE CAMPS AND BANGLADESH

Our work with Rohingya refugees and vulnerable communities in Bangladesh continued to prioritise food security, shelter and safe water. In the Rohingya camps we supported large-scale cooked meal distributions and the reconstruction and repair of shelters, improving both daily nutrition and safety for refugee families. In disaster-affected parts of Bangladesh we combined food packs, winter clothing and cooked meals with cash assistance so that families could meet their most urgent needs. Investment in water tankers, wells and hand pumps has further reduced the risk of waterborne disease. The experience this year underlined the importance of flexible support that can respond both to acute emergencies and to ongoing, protracted crises. Our long-term approach is to remain responsive in these contexts while seeking opportunities for more durable, resilience-building solutions in partnership with local organisations.

YEMEN

Given the scale and complexity of the crisis in Yemen, our strategy remains to provide targeted, high-impact assistance through reliable local partners. During the year we delivered a combined package of food support and cash assistance, helping families to cover essentials such as food, medicine and shelter. While modest in scale compared to national need, this support was carefully targeted at particularly vulnerable households and remains an important expression of our commitment to those affected by the conflict. In the longer term, we will continue to review our role in Yemen to ensure that our resources remain carefully targeted where they can have the greatest humanitarian impact.

PAKISTAN

Our work in Pakistan this year concentrated on restoring sight and preventing avoidable blindness through a cataract surgery programme. Enabling patients to regain their vision has had a transformative effect on their independence, ability to work where possible and quality of life, as well as reducing the burden of care on their families. This targeted health intervention aligns with our broader objective of improving access to essential healthcare for those who could not otherwise afford it. Over the coming years, we intend to maintain a focused portfolio of high-impact medical interventions of this kind, subject to available funding and strong local partnerships.

DROP OF COMPASSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 28TH FEBRUARY 2025

STRATEGIC REPORT

Financial review

Financial position

Overall, the charity is in a healthy position as demonstrated by our accounts for the period in concern. This is mainly due to effective cost control, which ensures our running costs are kept to an acceptable level.

During the year the charity raised £888,002 (2024: £981,206) in direct donations from the general public to carry out the programmes mentioned above. During the year £897,855 (2024: £1,050,914) from the restricted funds were expended for specific projects.

The charity continues to work closely with a number of partner organisations in providing aid to the needy and, most of the above expenditure was spent with these partner organisations.

A small amount raised with no restrictions in addition to the income tax recoverable from Gift Aid, continue to provide the charity with sufficient funds to carry out its charitable objectives as well as the administration of the charity.

Reserves policy

We aim to utilise the funds within a year of receiving them. Reserves are held for long term projects and for responding to emergencies and disasters.

The unrestricted funds the charity holds is to ensure that it has sufficient reserves to cover the costs of managing and administering the charity for the following year. At the end of each financial year the Trustees critically appraise this level and transfer any excess to where it is most needed in terms of aid.

The Trustees consider it prudent that the reserves should be sufficient for the charity's use. The Trustees have approved that all unrestricted reserves will be utilised in helping the charity achieve its objectives.

Going concern

Currently no concerns about the charity continuing as a going concern.

Principal risks and uncertainties

The principal financial risks and uncertainties that the charity can face is reduction in donations from key donors as this is the significant portion of the charity's funding. The charity has raised awareness of its activities and sends out advertising material of the work it does in order to attract more donations. This has been successful as the amount of donations have remained consistent.

Future plans

The charity is looking at the options in which it can increase donations from various individuals

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The organisation is a charitable company limited by guarantee, incorporated on 7 February 2013. The company was established under a Memorandum of Association which the objects and powers of the charitable company and its governed under its Articles of Association.

Charity constitution

Private Limited Company by guarantee.

DROP OF COMPASSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 28TH FEBRUARY 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

All trustees are involved in any selection process that takes place and a vote amongst the trustees is conducted to appoint any positions within the organisation.

Organisational structure

The board of Trustees of the charity are responsible for the charity's strategic direction. The board of Trustees meet on a termly basis to discuss the activities of the charity.

The board of trustees are supported through the aid of volunteers who manage the daily running of the charity.

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 26th November 2025 and signed on the board's behalf by:



Mr M Y Patel - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
DROP OF COMPASSION**

Independent examiner's report to the trustees of Drop Of Compassion ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 28th February 2025.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under Section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under Section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by Section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of Section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Nazir Malida
The Association of Chartered Certified Accountants

Watergates Ltd
109 Coleman Road
Leicester
Leicestershire
LE5 4LE

26th November 2025

DROP OF COMPASSION
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 28TH FEBRUARY 2025

	Notes	Unrestricted fund £	Restricted funds £	28/2/25 Total funds £	29/2/24 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	<u>18,105</u>	<u>888,002</u>	<u>906,107</u>	<u>1,088,199</u>
EXPENDITURE ON					
Charitable activities	3				
Donations		<u>79,498</u>	<u>897,855</u>	<u>977,353</u>	<u>1,101,809</u>
NET INCOME/(EXPENDITURE)		(61,393)	(9,853)	(71,246)	(13,610)
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>238,843</u>	<u>382,845</u>	<u>621,688</u>	<u>635,298</u>
TOTAL FUNDS CARRIED FORWARD		<u>177,450</u>	<u>372,992</u>	<u>550,442</u>	<u>621,688</u>

The notes on page 0 form part of these financial statements

DROP OF COMPASSION
STATEMENT OF FINANCIAL POSITION
28TH FEBRUARY 2025

	Notes	Unrestricted fund £	Restricted funds £	28/2/25 Total funds £	29/2/24 Total funds £
CURRENT ASSETS					
Debtors	10	15,497	-	15,497	35,000
Cash at bank		<u>166,453</u>	<u>372,992</u>	<u>539,445</u>	<u>589,188</u>
		181,950	372,992	554,942	624,188
CREDITORS					
Amounts falling due within one year	11	(4,500)	-	(4,500)	(2,500)
NET CURRENT ASSETS		<u>177,450</u>	<u>372,992</u>	<u>550,442</u>	<u>621,688</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>177,450</u>	<u>372,992</u>	<u>550,442</u>	<u>621,688</u>
NET ASSETS		<u>177,450</u>	<u>372,992</u>	<u>550,442</u>	<u>621,688</u>
FUNDS	12				
Unrestricted funds				177,450	238,843
Restricted funds				<u>372,992</u>	<u>382,845</u>
TOTAL FUNDS				<u>550,442</u>	<u>621,688</u>

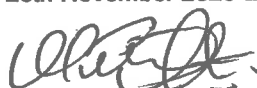
The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 28th February 2025.

The members have not required the company to obtain an audit of its financial statements for the year ended 28th February 2025 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The financial statements were approved by the Board of Trustees and authorised for issue on 26th November 2025 and were signed on its behalf by:


Mr M Y Patel - Trustee

The notes on page 0 form part of these financial statements

DROP OF COMPASSION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 28TH FEBRUARY 2025

	Notes	28/2/25 £	29/2/24 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(49,743)</u>	<u>11,635</u>
Net cash (used in)/provided by operating activities		<u>(49,743)</u>	<u>11,635</u>
Change in cash and cash equivalents in the reporting period		(49,743)	11,635
Cash and cash equivalents at the beginning of the reporting period		<u>589,188</u>	<u>577,553</u>
Cash and cash equivalents at the end of the reporting period		<u>539,445</u>	<u>589,188</u>

The notes on page 0 form part of these financial statements

DROP OF COMPASSION

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 28TH FEBRUARY 2025**

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	28/2/25	29/2/24
	£	£
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(71,246)	(13,610)
Adjustments for:		
Decrease in debtors	19,503	25,245
Increase in creditors	<u>2,000</u>	<u>-</u>
Net cash (used in)/provided by operations	<u>(49,743)</u>	<u>11,635</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.3.24	Cash flow	At 28.2.25
	£	£	£
Net cash			
Cash at bank and in hand	<u>589,188</u>	<u>(49,743)</u>	<u>539,445</u>
	<u>589,188</u>	<u>(49,743)</u>	<u>539,445</u>
Total	<u>589,188</u>	<u>(49,743)</u>	<u>539,445</u>

The notes on page 0 form part of these financial statements

DROP OF COMPASSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28TH FEBRUARY 2025

1. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The Charity meets the definition of a public entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The functional currency of the charity is considered to be pounds sterling because that is the currency of the primary economic environment in which the Charity operates. The financial statements are also presented in pounds sterling. The amounts in the financial statements are presented to the nearest £1, unless otherwise stated.

The preparation of the financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the charity's accounting policies. There are no significant areas requiring material judgements, estimates or assumptions.

INCOME

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Donations and legacies: This comprises all incoming resources from donations collected directly or by volunteers and income from fundraising events during the year. Gift Aid tax recoverable under the Gift Aid Scheme is recognised where there is an entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Where a claim for repayment of income tax has been or will be made, such income is included in the debtors' amount if still not received by the year end.

The value of services provided by volunteers is difficult to put a monetary value on and therefore has not been included in accordance with the Charities SORP (FRS102).

EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure is classified under the following activity headings:

DROP OF COMPASSION
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2025

1. ACCOUNTING POLICIES - continued

EXPENDITURE

Charitable activities: Costs associated with the provision of emergency relief, development and longer term rehabilitation programmes as elaborated on in the Trustees' Report. These include both direct charitable expenditure, grants payable and support costs relating to these activities. Grants payable to other organisations for relief projects are included in the SOFA when approved by the trustees and agreed with the other organisation.

Support costs: Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs for a single activity are allocated to the particular activity where the cost relates directly to that activity. However, Support costs that represent the support functions of management, finance, human resources, IT and support departments attributable to the management of the Charity's assets, are allocated in proportion to the type of charitable activity during the period.

Governance costs: These are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities. Governance support costs are allocated on the basis of support activities provided on clearly interpreted governance matters.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

TAXATION

The charity is exempt from corporation tax on its charitable activities.

FUND ACCOUNTING

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

2. DONATIONS AND LEGACIES

	28/2/25	29/2/24
	£	£
Donations	<u>906,107</u>	<u>1,088,199</u>

The charity benefits greatly from the involvement and enthusiastic support of its many volunteers. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

DROP OF COMPASSION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2025**

3. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 4)	Grant funding of activities (see note 5)	Support costs (see note 6)	Totals
	£	£	£	£
Donations	<u>16,401</u>	<u>932,481</u>	<u>28,471</u>	<u>977,353</u>

4. DIRECT COSTS OF CHARITABLE ACTIVITIES

	28/2/25	29/2/24
	£	£
Travel and subsistence	<u>16,401</u>	<u>20,179</u>

5. GRANTS PAYABLE

	28/2/25	29/2/24
	£	£
Donations	<u>932,481</u>	<u>1,059,177</u>

The total grants paid to institutions during the year was as follows:

	28/2/25	29/2/24
	£	£
Various relief and support programmes	<u>932,481</u>	<u>1,059,177</u>

6. SUPPORT COSTS

	Management	Finance	Governance	Totals
	£	£	costs	£
	£	£	£	£
Donations	<u>24,546</u>	<u>892</u>	<u>3,033</u>	<u>28,471</u>

DROP OF COMPASSION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2025**

6. SUPPORT COSTS - continued

Support costs, included in the above, are as follows:

	28/2/25	29/2/24
	Donations	Total activities
	£	£
Telephone	97	78
Advertising	398	5,056
Software	714	604
Consultancy	23,337	14,173
Bank charges	244	865
Subscriptions	648	597
Auditors' remuneration	-	1,080
Accountancy and legal fees	<u>3,033</u>	<u>-</u>
	<u>28,471</u>	<u>22,453</u>

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	28/2/25	29/2/24
	£	£
Auditors' remuneration	<u>-</u>	<u>1,080</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 28th February 2025 nor for the year ended 29th February 2024.

TRUSTEES' EXPENSES

There were no trustees' expenses paid for the year ended 28th February 2025 nor for the year ended 29th February 2024.

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund	Restricted funds	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	<u>106,993</u>	<u>981,206</u>	<u>1,088,199</u>
EXPENDITURE ON			
Charitable activities			
Donations	<u>50,895</u>	<u>1,050,914</u>	<u>1,101,809</u>
NET INCOME/(EXPENDITURE)	56,098	(69,708)	(13,610)
Transfers between funds	(28,002)	28,002	-

DROP OF COMPASSION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2025**

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued			
	Unrestricted fund £	Restricted funds £	Total funds £
Net movement in funds	28,096	(41,706)	(13,610)
RECONCILIATION OF FUNDS			
Total funds brought forward	210,748	424,550	635,298
TOTAL FUNDS CARRIED FORWARD	238,844	382,844	621,688
10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
		28/2/25 £	29/2/24 £
Prepayments and accrued income		<u>15,497</u>	<u>35,000</u>
11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
		28/2/25 £	29/2/24 £
Accruals and deferred income		<u>4,500</u>	<u>2,500</u>
12. MOVEMENT IN FUNDS			
	At 1.3.24 £	Net movement in funds £	At 28.2.25 £
Unrestricted funds			
General fund	238,843	(61,393)	177,450
Restricted funds			
Feeding	36,054	4,193	40,247
Orphans and children in need	-	2,077	2,077
Water	46,747	(4,708)	42,039
Medical and healthcare	851	15,291	16,142
Development	21,457	3,922	25,379
Most needy restricted	<u>277,736</u>	<u>(30,628)</u>	<u>247,108</u>
	<u>382,845</u>	<u>(9,853)</u>	<u>372,992</u>
TOTAL FUNDS	<u>621,688</u>	<u>(71,246)</u>	<u>550,442</u>

DROP OF COMPASSION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2025**

12. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	18,105	(79,498)	(61,393)
Restricted funds			
Feeding	55,046	(50,853)	4,193
Orphans and children in need	2,077	-	2,077
Education	1,184	(1,184)	-
Water	109,067	(113,775)	(4,708)
Medical and healthcare	181,793	(166,502)	15,291
Community	4,614	(4,614)	-
Development	30,777	(26,855)	3,922
Most needy restricted	<u>503,444</u>	<u>(534,072)</u>	<u>(30,628)</u>
	<u>888,002</u>	<u>(897,855)</u>	<u>(9,853)</u>
TOTAL FUNDS	<u>906,107</u>	<u>(977,353)</u>	<u>(71,246)</u>

Comparatives for movement in funds

	At 1.3.23 £	Net movement in funds £	Transfers between funds £	At 29.2.24 £
Unrestricted funds				
General fund	210,748	56,097	(28,002)	238,843
Restricted funds				
Feeding	73,331	(37,277)	-	36,054
Orphans and children in need	16,433	(16,433)	-	-
Water	77,303	(30,556)	-	46,747
Medical and healthcare	10,921	(10,070)	-	851
Development	18,783	2,674	-	21,457
Most needy restricted	<u>227,779</u>	<u>21,955</u>	<u>28,002</u>	<u>277,736</u>
	<u>424,550</u>	<u>(69,707)</u>	<u>28,002</u>	<u>382,845</u>
TOTAL FUNDS	<u>635,298</u>	<u>(13,610)</u>	<u>-</u>	<u>621,688</u>

DROP OF COMPASSION
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2025

12. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	106,993	(50,896)	56,097
Restricted funds			
Feeding	32,732	(70,009)	(37,277)
Orphans and children in need	13,042	(29,475)	(16,433)
Education	2,259	(2,259)	-
Water	65,945	(96,501)	(30,556)
Medical and healthcare	119,617	(129,687)	(10,070)
Development	87,006	(84,332)	2,674
Most needy restricted	<u>660,605</u>	<u>(638,650)</u>	<u>21,955</u>
	<u>981,206</u>	<u>(1,050,913)</u>	<u>(69,707)</u>
TOTAL FUNDS	<u><u>1,088,199</u></u>	<u><u>(1,101,809)</u></u>	<u><u>(13,610)</u></u>

13. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 28th February 2025.

14. COMPANY LIMITED BY GUARANTEE

Drop of Compassion is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

DROP OF COMPASSION
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 28TH FEBRUARY 2025

	28/2/25 £	29/2/24 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	<u>906,107</u>	<u>1,088,199</u>
Total incoming resources	906,107	1,088,199
EXPENDITURE		
Charitable activities		
Travel and subsistence	16,401	20,179
Grants to institutions	<u>932,481</u>	<u>1,059,177</u>
	948,882	1,079,356
Support costs		
Management		
Telephone	97	78
Advertising	398	5,056
Software	714	604
Consultancy	<u>23,337</u>	<u>14,173</u>
	24,546	19,911
Finance		
Bank charges	244	865
Subscriptions	<u>648</u>	<u>597</u>
	892	1,462
Governance costs		
Auditors' remuneration	-	1,080
Accountancy and legal fees	<u>3,033</u>	<u>-</u>
	<u>3,033</u>	<u>1,080</u>
Total resources expended	<u>977,353</u>	<u>1,101,809</u>
Net expenditure	<u><u>(71,246)</u></u>	<u><u>(13,610)</u></u>

This page does not form part of the statutory financial statements

DROP OF COMPASSION

England & Wales - Charity number 1151443

Accounts

REGISTERED COMPANY NUMBER: 08393664 (England and Wales)
REGISTERED CHARITY NUMBER: 1151443

**TRUSTEES' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29TH FEBRUARY 2024
FOR
DROP OF COMPASSION
(A COMPANY LIMITED BY GUARANTEE)**

Watergates Ltd (Statutory Auditor)
109 Coleman Road
Leicester
Leicestershire
LE5 4LE

DROP OF COMPASSION
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FOR THE YEAR ENDED 29TH FEBRUARY 2024

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DROP OF COMPASSION

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 29TH FEBRUARY 2024**

TRUSTEES

Mr I H Chhatbar
Mr S Chopdat
Mr O M Ismail
Mr S M Lambat
Mr H Y Lambat
Mr I Y Patel
Mr M Y Patel

REGISTERED OFFICE

9 Exton Road
Leicester
LE5 4AF

**REGISTERED COMPANY
NUMBER**

08393664 (England and Wales)

**REGISTERED CHARITY
NUMBER**

1151443

AUDITORS

Watergates Ltd (Statutory Auditor)
109 Coleman Road
Leicester
Leicestershire
LE5 4LE

DROP OF COMPASSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 29TH FEBRUARY 2024

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 29th February 2024. The trustees have adopted the provisions of 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) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

To relieve financial hardship, distress and suffering among poor people, victims of natural and man-made disasters and other people in need, by means of, but not exclusively, making grants or loans for providing or paying for items, equipment, services and facilities, including the establishment of irrigation systems, water wells, and water sanitation systems for the benefit of the said persons.

To promote sustainable development for the benefit of the public by the preservation, conservation and the protection of the environment and the prudent use of resources, and the promotion of sustainable means of achieving economic growth and regeneration, such that sustainable development means development which meets the needs of the present without compromising the ability of future generations to meet their own needs.

To advance education for the benefit of the poor, the underprivileged and the general public by means of, but not exclusively, the provision or the assistance in the provision of educational activities and facilities, such as schools, libraries and training centres, and the provision of vocational training and adult learning programmes.

To relieve sickness and to preserve good health among the poor and people in need by means of, but not exclusively, the provision or assistance in the provision of services, facilities, equipment, clinics, medicines or grants for medical diagnosis and treatment, and provision of health education.

To advance islam for public benefit by means thought fit by the trustees from time to time.

Significant activities

During this financial year, we have carried out the following work:

LEICESTER AND UNITED KINGDOM PROJECTS

Little Treasures:

We partnered with a local educational establishment to offer Islamic classes to 25 children with special educational needs (SEN). Tailored classes ensured that the children were provided with a safe and inclusive environment to aid their learning and development.

Spinner Hills Drugs and Alcohol Programme:

We supported a local organisation with financial assistance to provide much needed support services for substance users and their families.

Rainbows Hospice:

We continued to provide support for the hospice that supports families dealing with end-of-life patients with compassionate care and resources that intend to ease the navigation of what is always a very difficult time for loved ones.

DROP OF COMPASSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 29TH FEBRUARY 2024

OBJECTIVES AND ACTIVITIES
MALAWI PROJECTS

Water:

Our commitment to provide long term sustainable solutions is evidenced through our water irrigation projects which provide consistent and reliable supplies of clean water to local villages. The water is used for drinking, sanitation and economic growth by enabling communities to earn a livelihood through agricultural farming. We have delivered a further 5 irrigation schemes this year.

In addition to the irrigation schemes, we have also constructed 9 boreholes in rural areas to provide clean drinking water to up to 18000 people and repaired a further 17 existing boreholes to ensure sustained access to water. To assist with transporting the water back to their homes, we also distributed 760 waterwheels, a simple, yet effective device that removes the need to carry litres of water on their heads across long distances.

Healthcare:

Prior to Drop of Compassion establishing health clinics, access to healthcare in rural areas of Malawi was scarce and oversubscribed, with patients having to travel up to 30km over difficult terrain even for basic healthcare support. Over the past 9 years we initially established a clinic in Somba (Mangochi district, southern region of Malawi) which was followed by an additional facility in Makanjira (Mangochi district, southern region of Malawi). The clinics provide free consultations and treatments along with maternity services that include prenatal, birthing and post natal care. Upto 10,000 patients from across 30 village are treated per month with 52% of cases linked to Malaria and 12% for HIV. Over 8,000 Beneficiaries are seen to at the maternity clinics annually and from that 1000+ births have been delivered annually.

Education:

We are committed to supporting the next generation shape a better future for Malawi for which a good education provides a solid foundation.

Many children were being disadvantaged with their learning journeys having not attended nursery prior to starting primary school. We launched our first nursery to address this issue with the intention of scaling the model nationwide.

We built 2 further primary school blocks in our Masuku and Mikundi hubs to enhance the education facilities in the regions.

We also continue to sponsor 33 students through accredited university courses with the goal of them giving back to their communities as qualified professionals in varied fields of expertise.

Sustainable Living:

We aim to empower communities to earn a sustainable income with various initiatives that compliment our water irrigation schemes. Our honey farms have benefitted 500 people across 14 villages with the project encouraging the empowerment of women, the elderly and orphans. Through our goat pass-on project, 1000 goats were provided across 20 villages to benefit approximately 6650 people to date. We continue to promote environmental sustainability by planting a 13,000+ fruits trees. A key enabler to these projects being successful is the provision of 148 bicycles for travel to markets and essential services, increasing their productive time.

Community Development Hubs:

Our unwavering commitment to empowering communities is being brought to life through the development of our community hubs which transform areas that were once barren land into thriving economic landscapes and infrastructure. The hubs comprise of essentials including clean water, homes, schools and hospitals. We have developed 6 hubs to date benefitting thousands with plans for more in areas including Mikundi, Masuku, Katema and Chigwaga to name a few.

DROP OF COMPASSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 29TH FEBRUARY 2024

OBJECTIVES AND ACTIVITIES

Emergency Response (cyclone):

Many regions of Malawi were devastated by the effects of a cyclone. We mobilised our partners to provide much needed relief through 2875 emergency packs, 708 food packs and feeding 200 orphans. We also delivered farming packs to 28 farmers and fed 112 inmates at Blantyre prison.

Iftaar and Hot Food:

During the month of Ramadan, we supported 75 mosques with meals for Iftaar to feed 11,000 people daily. For families in need, this allows them to observe their faith without having to worry about how to source a daily meal to break their fast. Throughout the year we also provided over 1000 food packs across the country to provide staple food items like rice, soya, sugar and oils to impoverished communities.

SYRIA & TURKEY PROJECTS

Emergency Response (Earthquake):

The earthquake in the regions had dire consequences with fatalities and life changing outcomes for families in the region. We answered the call for emergency support to provide vital aid along with support to rebuild the lives of those impacted. We provided food provisions through the distribution of 830 food parcels and 2000 hot Iftaar meals. We supported with housing needs by commencing works to build 100 homes with further support for internal needs addressed through the provision of 180 mattresses, blankets, pillows and carpets. We also delivered 30 tents, heaters and coal bags for emergency relief. To maintain the dignity of women, we provided 500 abayas (traditional modest clothing). We are also sponsoring 11 orphans to ensure they are provided with the essentials for daily sustenance.

ROHINGYA REFUGEE CAMPS & BANGLADESH PROJECTS

Food Security and Distribution:

We continue to support the camps housing Rohingya refugees and poverty stricken areas of Bangladesh through the provision of daily sustenance, shelter and mobility support. 80,000+ hot meals were provided and 667 food packs were distributed to provide relief to already malnourished communities.

Housing and Shelter:

Much needed shelters were provided for 72 families, taking our total to 1100.

Water:

We also delivered 2 water tankers that provide 10,000 litres of water daily for 3 months and installed a water desalination unit that provides water for over 25,000 people daily (this water is cleaner than bottled mineral water).

Healthcare:

To assist those with mobility issues, we provided 96 wheelchairs to ease difficulties of navigating daily routines.

DROP OF COMPASSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 29TH FEBRUARY 2024

OBJECTIVES AND ACTIVITIES

YEMEN PROJECTS

Food Security:

Our focus in this region is to tackle the pressing needs of those in need. Our malnutrition programme aids vulnerable groups with essential nutrition support and has supported 10 children for 6 months. Our bread factory provides nutritious bread for the 5000+ who are food insecure.

Healthcare:

We have also provided medical treatment for 1000 patients and distributed 500 milk powders to those in need.

Water:

Our solar powered deep tube well continues to provide clean drinking water and we also completed the installation of a borehole which serves 120 families with easy access to water.

AFGHANISTAN PROJECTS

Food Security and Eid Gifts:

Many parts of the country continue to suffer hardships in many forms. We have attempted to provide much needed relief by providing daily nourishment through over 4600 meals during the month of Ramadan and also delivering 67 food parcels across various locations. We are also sponsoring 450 children in an orphanage to ensure they have daily food provisions and also provided 83 Eid gifts to children, giving them a small dose of happiness that we take for granted.

MOROCCO PROJECTS

Emergency Response (Earthquake):

The country was struck by a devastating 6.8 magnitude earthquake in the high Atlas region which claimed thousands of lives and caused widespread destruction. We swiftly responded by offering assistance to those affected by providing 134 families with food parcels with daily essentials.

INDIA PROJECTS

Education:

Education is the foundation to building a better future for our youth. We are supporting approximately 250 students at the Ganga Sagar education centre through a holistic program covering diverse subjects, extra curricular and mentorship. With dedicated teachers and staff, we create a supportive community for student success, aiming to empower the next generation for academic and life success.

PAKISTAN PROJECTS

Healthcare:

Cataracts pose a major health risk, leading to vision impairment and potential blindness if untreated. We partnered with local healthcare providers to assist 200 people with cataracts treatment in underserved communities.

Public benefit

The Trustees have given due consideration to the Charity Commission's published guidance on the Public Benefit Requirement.

Volunteers

We have a small number of volunteers who assist on an ad-hoc basis mainly during the month of Ramadhan for pledge days and fundraising activities.

DROP OF COMPASSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 29TH FEBRUARY 2024

STRATEGIC REPORT
Achievement and performance
UNITED KINGDOM

As the saying goes, Charity begins at home. We remain committed to supporting local initiatives and institutions to positive change the lives of those less fortunate. We have continued to support LOROS hospice care provide support to families dealing with palliative care, partnered with a local educational establishment to provide Islamic classes to children with special educational needs and also supported a local support centre provide assistance to those impacted by substance abuse and their families.

MALAWI

The bedrock of our charity, Malawi epitomises our strategic intent to provide long term sustainable solutions that transform the lives of communities in one of the poorest countries across the globe. Our wide ranging portfolio in the region comprises of projects focused on Water, Healthcare, Education, Sustainable living and Emergency Relief.

Our sustainable projects include water irrigation, honey farming and pass-on goats. These multi purpose initiatives enable communities to flourish and earn a sustainable livelihood and also eradicate the need for children to work, instead enabling them to attend schools and attain a good education.

Scale infrastructure through our community hubs, educational institutions and water irrigation schemes are transforming previously barren lands into thriving areas of commerce.

Our long term strategy is expand our community hub model across the country to increase scale of impact in this country and leave a lasting legacy for generations.

ROHINGYA REFUGEE CAMPS AND BANGLADESH

We have supported the Rohingya refugees from the outset of their displacement and remain committed to providing them with the basic essentials of life so they can feel a sense of normality in their challenging day to day circumstance. We have also identified poverty stricken regions in Bangladesh that are in desperate need of support. We provide daily hot meals and have delivered food packs for daily sustenance and have also addressed the risk of dehydration by delivering 2 water tankers and a desalination unit which provides water cleaner than bottled mineral water. We have also provided shelters and wheelchairs for those with mobility issues.

YEMEN

With no end in sight for the ongoing crisis, we continue to provide relief to those impacted. Our malnutrition programme aids vulnerable groups with essential nutrition support and has supported 10 children for 6 months. Our bread factory provides nutritious bread for the 5000+ who are food insecure. We have also provided medical treatment for 1000 patients and distributed 500 milk powders to those in need. Our solar powered deep tube well continues to provide clean drinking water and we also completed the installation of a borehole which serves 120 families with easy access to water. At this time, there is no long term strategy for Yemen, however we remain committed to continue addressing the short term immediate needs.

DROP OF COMPASSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 29TH FEBRUARY 2024

INDIA, WEST BENGAL

Education safeguards the future success of the next generation and we are passionate about supporting initiatives that focus on helping children realise their potential. We continue to support an education institution that provides holistic learning and mentoring for 250 students by committed teachers and staff.

MOROCCO AND SYRIA (EMERGENCY RELIEF)

We can never be prepared for natural disasters, conflicts or unplanned events that disrupt the lives of those impacted. We can however ensure that we are primed to respond when there is need to provide support. We supported those impacted by the earthquake in Morocco with 134 food parcels and also those impacted in Syria/Turkey by building 100 homes, clothing for women and food parcels.

Financial review

Financial position

Overall, the charity is in a healthy position as demonstrated by our accounts for the period in concern. This is mainly due to effective cost control, which ensures our running costs are kept to an acceptable level.

During the year the charity raised £981,206 (2023: £1,047,951) in direct donations from the general public to carry out the programmes mentioned above. During the year £1,050,914 (2023: £1,005,576) from the restricted funds were expensed for specific projects.

The charity continues to work closely with a number of partner organisations in providing aid to the needy and, most of the above expenditure was spent with these partner organisations.

A small amount raised with no restrictions in addition to the income tax recoverable from Gift Aid, continue to provide the charity with sufficient funds to carry out its charitable objectives as well as the administration of the charity.

Reserves policy

We aim to utilise the funds within a year of receiving them. Reserves are held for long term projects and for responding to emergencies and disasters.

The unrestricted funds the charity holds is to ensure that it has sufficient reserves to cover the costs of managing and administering the charity for the following year. At the end of each financial year the Trustees critically appraise this level and transfer any excess to where it is most needed in terms of aid.

The Trustees consider it prudent that the reserves should be sufficient for the charity's use. The Trustees have approved that all unrestricted reserves will be utilised in helping the charity achieve its objectives.

Going concern

Currently no concerns about the charity continuing as a going concern.

Principal risks and uncertainties

The principal financial risks and uncertainties that the charity can face is reduction in donations from key donors as this is the significant portion of the charity's funding. The charity has raised awareness of its activities and sends out advertising material of the work it does in order to attract more donations. This has been successful as the amount of donations have remained consistent.

Future plans

The charity is looking at the options in which it can increase donations from various individuals

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

DROP OF COMPASSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 29TH FEBRUARY 2024

The organisation is a charitable company limited by guarantee, incorporated on 7 February 2013. The company was established under a Memorandum of Association which the objects and powers of the charitable company and its governed under its Articles of Association.

Charity constitution

Private Limited Company by guarantee.

Recruitment and appointment of new trustees

All trustees are involved in any selection process that takes place and a vote amongst the trustees is conducted to appoint any positions within the organisation.

Organisational structure

The board of Trustees of the charity are responsible for the charity's strategic direction. The board of Trustees meet on a termly basis to discuss the activities of the charity.

The board of trustees are supported through the aid of volunteers who manage the daily running of the charity.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Drop Of Compassion for the purposes of company law) 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) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

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.

AUDITORS

The auditors, Watergates Ltd (Statutory Auditor), will be proposed for re-appointment at the forthcoming Annual General Meeting.

DROP OF COMPASSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 29TH FEBRUARY 2024

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 15th November 2024 and signed on the board's behalf by:



Mr M Y Patel - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF DROP OF COMPASSION

Opinion

We have audited the financial statements of Drop Of Compassion (the 'charitable company') for the year ended 29th February 2024 which comprise the Statement of Financial Activities, the Statement of Financial Position, the 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 29th February 2024 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

In connection with our audit of the financial statements, 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 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
DROP OF COMPASSION**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the trustees 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 require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk 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 and to respond appropriately to fraud or suspected fraud identified during the audit.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
DROP OF COMPASSION**

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to employment regulations. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these laws and regulations and inspected correspondence with regulatory authorities as appropriate.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

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 Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



for and on behalf of Watergates Ltd (Statutory Auditor)
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
109 Coleman Road
Leicester
Leicestershire
LE5 4LE

15th November 2024

DROP OF COMPASSION
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 29TH FEBRUARY 2024

		Unrestricted fund £	Restricted funds £	29/2/24 Total funds £	28/2/23 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	106,993	981,206	1,088,199	1,095,825
EXPENDITURE ON					
Charitable activities	3				
Donations		50,895	1,050,914	1,101,809	1,032,138
NET INCOME/(EXPENDITURE)					
Transfers between funds	12	56,098 (28,002)	(69,708) 28,002	(13,610) -	63,687 -
Net movement in funds		28,096	(41,706)	(13,610)	63,687
RECONCILIATION OF FUNDS					
Total funds brought forward		210,748	424,550	635,298	571,611
TOTAL FUNDS CARRIED FORWARD		238,844	382,844	621,688	635,298

The notes on page 0 form part of these financial statements

DROP OF COMPASSION
STATEMENT OF FINANCIAL POSITION
29TH FEBRUARY 2024

	Notes	Unrestricted fund £	Restricted funds £	29/2/24 Total funds £	28/2/23 Total funds £
CURRENT ASSETS					
Debtors	10	35,000	-	35,000	60,245
Cash at bank and in hand		206,343	382,845	589,188	577,553
		<u>241,343</u>	<u>382,845</u>	<u>624,188</u>	<u>637,798</u>
CREDITORS					
Amounts falling due within one year	11	(2,500)	-	(2,500)	(2,500)
		<u>238,843</u>	<u>382,845</u>	<u>621,688</u>	<u>635,298</u>
NET CURRENT ASSETS					
		<u>238,843</u>	<u>382,845</u>	<u>621,688</u>	<u>635,298</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>238,843</u>	<u>382,845</u>	<u>621,688</u>	<u>635,298</u>
NET ASSETS					
		<u>238,843</u>	<u>382,845</u>	<u>621,688</u>	<u>635,298</u>
FUNDS	12				
Unrestricted funds				238,843	210,748
Restricted funds				382,845	424,550
TOTAL FUNDS				<u>621,688</u>	<u>635,298</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 29th February 2024.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

The financial statements were approved by the Board of Trustees and authorised for issue on 15th November 2024 and were signed on its behalf by:



Mr M Y Patel - Trustee

The notes on page 0 form part of these financial statements

DROP OF COMPASSION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 29TH FEBRUARY 2024

	Notes	29/2/24 £	28/2/23 £
Cash flows from operating activities			
Cash generated from operations	1	<u>11,635</u>	<u>49,250</u>
Net cash provided by operating activities		<u>11,635</u>	<u>49,250</u>
 Change in cash and cash equivalents in the reporting period		 <u>11,635</u>	 <u>49,250</u>
Cash and cash equivalents at the beginning of the reporting period		<u>577,553</u>	<u>528,303</u>
 Cash and cash equivalents at the end of the reporting period		 <u><u>589,188</u></u>	 <u><u>577,553</u></u>

The notes on page 0 form part of these financial statements

DROP OF COMPASSION

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 29TH FEBRUARY 2024**

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	29/2/24	28/2/23
	£	£
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(13,610)	63,687
Adjustments for:		
Decrease/(increase) in debtors	<u>25,245</u>	<u>(14,437)</u>
Net cash provided by operations	<u><u>11,635</u></u>	<u><u>49,250</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.3.23	Cash flow	At 29.2.24
	£	£	£
Net cash			
Cash at bank and in hand	<u>577,553</u>	<u>11,635</u>	<u>589,188</u>
	<u>577,553</u>	<u>11,635</u>	<u>589,188</u>
Total	<u><u>577,553</u></u>	<u><u>11,635</u></u>	<u><u>589,188</u></u>

The notes on page 0 form part of these financial statements

DROP OF COMPASSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29TH FEBRUARY 2024

1. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The Charity meets the definition of a public entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The functional currency of the charity is considered to be pounds sterling because that is the currency of the primary economic environment in which the Charity operates. The financial statements are also presented in pounds sterling. The amounts in the financial statements are presented to the nearest £1, unless otherwise stated.

The preparation of the financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the charity's accounting policies. There are no significant areas requiring material judgements, estimates or assumptions.

INCOME

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Donations and legacies: This comprises all incoming resources from donations collected directly or by volunteers and income from fundraising events during the year. Gift Aid tax recoverable under the Gift Aid Scheme is recognised where there is an entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Where a claim for repayment of income tax has been or will be made, such income is included in the debtors' amount if still not received by the year end.

The value of services provided by volunteers is difficult to put a monetary value on and therefore has not been included in accordance with the Charities SORP (FRS102).

EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure is classified under the following activity headings:

Charitable activities: Costs associated with the provision of emergency relief, development and longer term rehabilitation programmes as elaborated on in the Trustees' Report. These include both direct charitable expenditure, grants payable and support costs relating to these activities. Grants payable to other organisations for relief projects are included in the SOFA when approved by the trustees and agreed with the other organisation.

DROP OF COMPASSION

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 29TH FEBRUARY 2024

1. ACCOUNTING POLICIES - continued

EXPENDITURE

Support costs: Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs for a single activity are allocated to the particular activity where the cost relates directly to that activity. However, Support costs that represent the support functions of management, finance, human resources, IT and support departments attributable to the management of the Charity's assets, are allocated in proportion to the type of charitable activity during the period.

Governance costs: These are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities. Governance support costs are allocated on the basis of support activities provided on clearly interpreted governance matters.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

TAXATION

The charity is exempt from corporation tax on its charitable activities.

FUND ACCOUNTING

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

2. DONATIONS AND LEGACIES

	29/2/24	28/2/23
	£	£
Donations	<u>1,088,199</u>	<u>1,095,825</u>

The charity benefits greatly from the involvement and enthusiastic support of its many volunteers. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

3. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 4)	Grant funding of activities (see note 5)	Support costs (see note 6)	Totals
	£	£	£	£
Donations	<u>20,179</u>	<u>1,059,177</u>	<u>22,453</u>	<u>1,101,809</u>

DROP OF COMPASSION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 29TH FEBRUARY 2024**

4. DIRECT COSTS OF CHARITABLE ACTIVITIES

	29/2/24	28/2/23
	£	£
Travel and subsistence	20,179	8,356

5. GRANTS PAYABLE

	29/2/24	28/2/23
	£	£
Donations	1,059,177	1,016,659

The total grants paid to institutions during the year was as follows:

	29/2/24	28/2/23
	£	£
Various relief and support programmes	1,059,177	1,016,659

6. SUPPORT COSTS

	Management	Finance	Governance	Totals
	£	£	costs	£
Donations	19,911	1,462	1,080	22,453

Support costs, included in the above, are as follows:

	29/2/24	28/2/23
	Donations	Total
	£	activities
	£	£
Telephone	78	273
Advertising	5,056	-
Sundries	-	1,150
Software	604	604
Consultancy	14,173	3,264
Bank charges	865	752
Subscriptions	597	-
Auditors' remuneration	1,080	1,080
	22,453	7,123

DROP OF COMPASSION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 29TH FEBRUARY 2024**

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	29/2/24	28/2/23
	£	£
Auditors' remuneration	1,080	1,080

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 29th February 2024 nor for the year ended 28th February 2023.

TRUSTEES' EXPENSES

There were no trustees' expenses paid for the year ended 29th February 2024 nor for the year ended 28th February 2023.

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	47,874	1,047,951	1,095,825
EXPENDITURE ON			
Charitable activities			
Donations	26,562	1,005,576	1,032,138
NET INCOME	21,312	42,375	63,687
RECONCILIATION OF FUNDS			
Total funds brought forward	189,435	382,176	571,611
TOTAL FUNDS CARRIED FORWARD	210,747	424,551	635,298

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	29/2/24	28/2/23
	£	£
Prepayments and accrued income	35,000	60,245

DROP OF COMPASSION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 29TH FEBRUARY 2024**

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	29/2/24	28/2/23
	£	£
Accruals and deferred income	<u>2,500</u>	<u>2,500</u>

12. MOVEMENT IN FUNDS

	At 1.3.23	Net movement in funds	Transfers between funds	At 29.2.24
	£	£	£	£
Unrestricted funds				
General fund	210,748	56,097	(28,002)	238,843
Restricted funds				
Feeding	73,331	(37,277)	-	36,054
Orphans and children in need	16,433	(16,433)	-	-
Water	77,303	(30,556)	-	46,747
Medical and healthcare	10,921	(10,070)	-	851
Development	18,783	2,674	-	21,457
Most needy restricted	227,779	21,955	28,002	277,736
	<u>424,550</u>	<u>(69,707)</u>	<u>28,002</u>	<u>382,845</u>
TOTAL FUNDS	<u>635,298</u>	<u>(13,610)</u>	<u>-</u>	<u>621,688</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	106,993	(50,896)	56,097
Restricted funds			
Feeding	32,732	(70,009)	(37,277)
Orphans and children in need	13,042	(29,475)	(16,433)
Education	2,259	(2,259)	-
Water	65,945	(96,501)	(30,556)
Medical and healthcare	119,617	(129,687)	(10,070)
Development	87,006	(84,332)	2,674
Most needy restricted	660,605	(638,650)	21,955
	<u>981,206</u>	<u>(1,050,913)</u>	<u>(69,707)</u>
TOTAL FUNDS	<u>1,088,199</u>	<u>(1,101,809)</u>	<u>(13,610)</u>

DROP OF COMPASSION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 29TH FEBRUARY 2024**

12. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.3.22 £	Net movement in funds £	At 28.2.23 £
Unrestricted funds			
General fund	189,435	21,313	210,748
Restricted funds			
Feeding	50,946	22,385	73,331
Orphans and children in need	31,066	(14,633)	16,433
Water	56,415	20,888	77,303
Medical and healthcare	-	10,921	10,921
Development	47,802	(29,019)	18,783
Most needy restricted	195,947	31,832	227,779
	<u>382,176</u>	<u>42,374</u>	<u>424,550</u>
TOTAL FUNDS	<u>571,611</u>	<u>63,687</u>	<u>635,298</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	47,874	(26,561)	21,313
Restricted funds			
Feeding	117,505	(95,120)	22,385
Orphans and children in need	14,567	(29,200)	(14,633)
Education	4,574	(4,574)	-
Water	178,608	(157,720)	20,888
Medical and healthcare	57,588	(46,667)	10,921
Development	51,347	(80,366)	(29,019)
Most needy restricted	623,762	(591,930)	31,832
	<u>1,047,951</u>	<u>(1,005,577)</u>	<u>42,374</u>
TOTAL FUNDS	<u>1,095,825</u>	<u>(1,032,138)</u>	<u>63,687</u>

DROP OF COMPASSION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 29TH FEBRUARY 2024**

13. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 29th February 2024.

14. COMPANY LIMITED BY GUARANTEE

Drop of Compassion is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

DROP OF COMPASSION

England & Wales - Charity number 1151443

Accounts

REGISTERED COMPANY NUMBER: 08393664 (England and Wales)
REGISTERED CHARITY NUMBER: 1151443

TRUSTEES' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28TH FEBRUARY 2023
FOR
DROP OF COMPASSION
(A COMPANY LIMITED BY GUARANTEE)

Watergates Ltd (Statutory Auditor)
109 Coleman Road
Leicester
Leicestershire
LE5 4LE

DROP OF COMPASSION
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FOR THE YEAR ENDED 28TH FEBRUARY 2023

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DROP OF COMPASSION

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 28TH FEBRUARY 2023**

TRUSTEES

Mr I H Chhatbar
Mr S Chopdat
Mr O M Ismail
Mr S M Lambat
Mr H Y Lambat
Mr I Y Patel
Mr M Y Patel

REGISTERED OFFICE

9 Exton Road
Leicester
LE5 4AF

**REGISTERED COMPANY
NUMBER**

08393664 (England and Wales)

REGISTERED CHARITY NUMBER 1151443

AUDITORS

Watergates Ltd (Statutory Auditor)
109 Coleman Road
Leicester
Leicestershire
LE5 4LE

DROP OF COMPASSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 28TH FEBRUARY 2023

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 28th February 2023. The trustees have adopted the provisions of 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) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

To relieve financial hardship, distress and suffering among poor people, victims of natural and man-made disasters and other people in need, by means of, but not exclusively, making grants or loans for providing or paying for items, equipment, services and facilities, including the establishment of irrigation systems, water wells, and water sanitation systems for the benefit of the said persons.

To promote sustainable development for the benefit of the public by the preservation, conservation and the protection of the environment and the prudent use of resources, and the promotion of sustainable means of achieving economic growth and regeneration, such that sustainable development means development which meets the needs of the present without compromising the ability of future generations to meet their own needs.

To advance education for the benefit of the poor, the underprivileged and the general public by means of, but not exclusively, the provision or the assistance in the provision of educational activities and facilities, such as schools, libraries and training centres, and the provision of vocational training and adult learning programmes.

To relieve sickness and to preserve good health among the poor and people in need by means of, but not exclusively, the provision or assistance in the provision of services, facilities, equipment, clinics, medicines or grants for medical diagnosis and treatment, and provision of health education.

To advance Islam for public benefit by means thought fit by the trustees from time to time.

Significant activities

During this financial year, we have carried out the following work:

Leicester and United Kingdom Projects

LOROS HOSPICE CARE

Our charity provided vital support to Loros Hospice Care, offering donations to bolster their mission. By standing alongside them, we aimed to improve the lives of individuals and families facing terminal illnesses, emphasising our commitment to fostering compassion and community well-being.

RAINBOWS HOSPICE CARE

Our charity continued its impactful contributions by supporting Rainbows Hospice Care, a beacon of hope for children and young people with life-limiting conditions. Through our donations and assistance, we aimed to enhance the services and facilities offered by Rainbows Hospice Care, ensuring that children and their families receive comprehensive and compassionate care. By partnering with Rainbows, we reaffirmed our dedication to making a positive difference in the lives of these young individuals and their families.

DROP OF COMPASSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 28TH FEBRUARY 2023

OBJECTIVES AND ACTIVITIES

Malawi Projects

HEALTHCARE

Before the establishment of our Clinic in Somba (Mangochi district, Southern region of Malawi), access to healthcare facilities in the area was scarce and overburdened, with the nearest clinics located 30km away to the west and north. Residents faced arduous journeys over difficult terrain to access basic healthcare services. Over the past 8 years, we have made a significant impact by providing free consultations and treatments, easing the burden on the local population. We have now expanded our services to include the Makanjira Clinic (Mangochi district, Southern region of Malawi) and Maternity Wing, collectively catering to over 7500 patients every month. Remarkably, 52% of the treatments address malaria-related issues, and 12% focus on HIV-related cases. Moreover, our clinics offer essential maternity services, encompassing prenatal, birthing, and postnatal care, supporting 840 births annually and benefiting over 7800 individuals across both facilities. Our commitment to bridging the healthcare gap in these underserved communities remains unwavering, ensuring accessible and quality healthcare for all.

EDUCATION

Our commitment to shaping a promising future for the next generation drives our support for various education initiatives. Through our university scholarship program, we are empowering 20 students to specialize in Medicine, Bio-Medical Sciences, and Public Health, paving the way for their future contributions to healthcare. Additionally, we have made significant strides in improving infrastructure by funding the construction of three new school blocks in Masuku, Mikundi, and Kwiputi (Southern region of Malawi) areas, benefitting around 600 students. In Somba, our efforts have led to the establishment of a secondary school, which welcomed its inaugural class of 120 students this year and is set to reach its full capacity of 600 students in the next academic year.

Recognising the importance of nutrition in education, we have provided daily lunches to schools in Mikundi, Masuku, and Somba, ensuring 1200 students annually have increased energy levels and engagement in their studies. By investing in education at various levels, we are nurturing the potential of young minds and creating a foundation for a brighter and more empowered future.

WATER IRRIGATION

Our charity proudly sponsored the implementation of water irrigation projects in Malawi, ensuring a consistent and reliable water supply to a local village throughout the year. This initiative has laid a strong foundation for agricultural development, enabling the cultivation of staple crops and introducing high-earning varieties. Additionally, the availability of abundant water has facilitated the establishment of fruit farms, honey farms, fish farming, and cattle rearing ventures. These initiatives not only provide sustenance for the village but also create opportunities for economic growth by enabling the community to sell their produce in the market. In the past year, we successfully completed 16 irrigation schemes in the southern regions of Malawi being within the Mangochi and Blantyre districts of Malawi. This directly benefits 6,500 people and contributing significantly to sustainable agriculture and economic empowerment in the region.

DRILLED BOREHOLES AND REPAIRS

Our charity repaired 20 boreholes, directly benefiting 60,000 people with improved access to clean water. This effort has lightened the daily burdens of families, enhancing their quality of life and overall well-being. By promoting better health, hygiene, and community development, this initiative underscores our steadfast commitment to driving positive and sustainable change in the lives of those we serve.

DROP OF COMPASSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 28TH FEBRUARY 2023

OBJECTIVES AND ACTIVITIES
SUSTAINABLE LIVING

Our mission revolves around empowering communities for self-sustainability and encouraging giving back. In Malawi, our sustainable living initiatives complement the irrigation projects effectively. Through honey farming, we've supported 400 individuals, providing a stable income source. Additionally, our Goat Pass-On Project has benefited 800 people by providing 120 goats, enhancing their livelihoods. Moreover, we've planted 1000 fruit trees, promoting environmental sustainability, and ensuring communities have valuable resources. These initiatives stand as testaments to our commitment to fostering self-sufficiency and sustainable prosperity within the communities we serve.

BICYCLE DISTRIBUTION

In response to the challenges of travel in Malawi, we've facilitated easier access to essential services and education by distributing 322 bicycles. This initiative has significantly improved the lives of families, enabling them to shop, access medical facilities, and ensuring safe travel for students to schools and colleges. By providing these bicycles, we've enhanced mobility and empowered communities, fostering a brighter and more accessible future for all.

BUILDING HOMES

In response to the vulnerable living conditions in Malawi, our charity built 16 sturdy houses this year. These homes provide safe shelters, protecting families from severe weather and promoting stability within the community. This initiative reflects our commitment to improving living standards and ensuring a secure environment for those in need.

EMERGENCY RELIEF AND FOOD SECURITY

In response to both the tropical storm and the recent cyclone in Malawi, our ongoing relief efforts, supported by your contributions, have been crucial in aiding affected communities. We distributed 1260 food parcels to individuals in Mikundi, Somba, Jali Perusi, and Masuku, with an additional 2000 parcels in Mangochi and 632 in multiple areas, ensuring vital sustenance for those in need. Moreover, we provided 90 Farmer's Packs in Mikundi, aiding farmers with essential resources for crop cultivation, and distributed 50 Gift Packs in the Mangochi area, bringing some joy during challenging times.

In addition to food assistance, we made a significant impact by distributing meat from 140 goats and 10 cows, further supporting nutritional needs. Additionally, we served hot meals during Ramadhan daily to 8700 people, promoting nourishment and community support. Your continued support allows us to sustain these vital relief efforts, helping the people of Malawi rebuild their lives after the devastating cyclone.

Rohingya Refugee (Bangladesh) Projects

ROHINGYA HOMES

Addressing the longstanding housing challenges faced by displaced families, we constructed 82 homes equipped with essential amenities such as blankets, lighting, and solar energy. Despite the ongoing uncertainty and lack of immediate repatriation plans, these secure habitats provide much-needed stability and dignity for the families residing in the camps.

HOT FOOD DISTRIBUTION AND GIFTS

In response to the dire food shortage within refugee camps, we distributed 30,000 hot meals and children's gifts to the most vulnerable families. This initiative aimed to alleviate hunger and bring some joy to those facing significant challenges.

DROP OF COMPASSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 28TH FEBRUARY 2023

OBJECTIVES AND ACTIVITIES

Bangladesh Projects

EMERGENCY RELIEF

In the aftermath of the devastating floods in Bangladesh, we provided essential support to families facing financial hardship. This included distributing food packs to 1050 families, 422 hygiene kits, and 36 survival kits in the most affected areas. These efforts aimed to provide immediate relief and aid to those in urgent need.

HOT FOOD DISTRIBUTION

Hot meals were provided to underprivileged families to ensure basic nutritional needs whilst observing a period of fasting. This year 24000 hot meals were provided to children, women and vulnerable adults.

HAND PUMPS IN BANGLADESH

We provided clean water access through 35 wells and hand pumps, benefiting approximately 30 people each. This initiative created jobs, encouraged education for young women, and ensured children's health and well-being.

DESALINATION UNIT

We installed a desalination unit, providing clean and safe water for 200,000 people. This initiative addresses a critical need for access to safe drinking water in the region, ensuring the well-being of the community.

West Bengal Projects

EDUCATION SPONSORSHIP

We firmly believe in upholding the rights of every child, including orphans, to love, nurturing, and a bright future. Currently, we sponsor 340 orphan girls, ensuring they have access to housing, food, education, and overall welfare. Through our support, these young lives are given the opportunity to thrive and grow, underscoring our commitment to their well-being and a promising future.

Yemen Projects

YEMEN BREAD FACTORY

During Yemen's devastating war and economic collapse, 22 million people lack necessities like food, healthcare, and safe water, relying solely on aid. Amidst this crisis, we've made a significant impact by providing daily bread to 5000+ families for 9 months, benefiting 30,000 people.

EMERGENCY RELIEF AND GIFTS

Additionally, we distributed 450 food packs and 52 Gift Packs, offering crucial support to those in dire need. Our ongoing efforts aim to alleviate the suffering of Yemeni families, emphasising our commitment to providing essential aid during this humanitarian catastrophe.

Lebanon Projects

EMERGENCY RELIEF

Following the storms and heavy rains in 2022, Syrian refugees in Lebanon faced freezing temperatures and extensive damage due to high winds, rain, and snow. Witnessing the aftermath, we provided crucial support and essential aid to those in need. Our efforts included distributing 250 food packs, 400 hot food meals, and 500 vegetable packs. Additionally, we served 1800 hot meals, distributed 50 gifts and treats for children.

DROP OF COMPASSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 28TH FEBRUARY 2023

OBJECTIVES AND ACTIVITIES

Pakistan Projects

EMERGENCY RELIEF

During Pakistan's devastating period when 60% of the country was submerged, we swiftly responded by providing essential aid. Our efforts included distributing 400 food packs, providing 90 tents for shelter, and offering 50 survival kits for necessities. Additionally, we supplied 100 cooking utensils and implemented a mobile water filtration unit, ensuring access to clean and safe drinking water for those affected. These initiatives aimed to provide immediate relief and support to the communities grappling with the aftermath of the disaster.

Afghanistan Projects

EMERGENCY RELIEF

Amidst the harsh winter in Afghanistan, we collaborated with our partners to provide vital assistance to the most affected communities. Our efforts included distributing 300 food packs, 500 winter packs for warmth, 250 shawls, and 400 blankets. These essential items aimed to alleviate the challenges faced by those enduring the bitter cold, ensuring they had access to food, clothing, and shelter during the difficult winter months.

Public benefit

The Trustees have given due consideration to the Charity Commission's published guidance on the Public Benefit Requirement.

Volunteers

We have a small number of volunteers who assist on an ad-hoc basis mainly during the month of Ramadhan for pledge days and fundraising activities.

STRATEGIC REPORT

Achievement and performance

UNITED KINGDOM

In our commitment to fostering compassion and community well-being, our charity provided vital support to Loros Hospice Care and Rainbows Hospice Care. Through generous donations, we bolstered their missions, improving the lives of individuals facing terminal illnesses and offering hope to children and young people with life-limiting conditions.

Additionally, we emphasize our dedication to making a difference at home by focusing on sustainable projects and creating partnerships within our local communities. By helping our own backyard and fostering collaborations locally, we aim to create a positive and lasting impact, aligning with our core values of community support and sustainable change.

DROP OF COMPASSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 28TH FEBRUARY 2023

MALAWI

In Malawi, our comprehensive initiatives focus on water, healthcare, education, sustainable living, and emergency relief. Despite challenging circumstances, we've established clinics and maternity wings, supporting 7500+ patients monthly and facilitating 840 births annually. Our education efforts include university scholarships, new school blocks, and daily meals for students, enhancing their prospects for a brighter future.

Sustainable projects encompass water irrigation, honey farming, and the Goat Pass-On Project, promoting self-sufficiency and economic growth. Responding to natural disasters, we provided extensive emergency relief, distributing essential food parcels and building 16 secure homes for vulnerable families affected by the tropical storm and cyclone. Through these efforts, we're fostering resilience and hope, transforming lives in the face of adversity.

In our ongoing efforts to transform communities in Malawi, we're scaling our impact through sustainable projects. By focusing on building crucial infrastructure like community hubs, expanding educational initiatives, and implementing water irrigation projects, we're fostering lasting change. These community hubs serve as focal points for education, healthcare, and skill development, creating thriving centres where various projects converge to empower residents.

Education remains a cornerstone of our approach, with scholarships, new school blocks, and daily meals enhancing accessibility and quality. Simultaneously, our focus on water irrigation projects not only provides a consistent water supply but also boosts agricultural development, fostering self-sufficiency. Through these sustainable endeavours, we're not just addressing immediate needs; we're creating a foundation for enduring growth, ensuring a brighter and more sustainable future for the communities we serve.

ROHINGYA REFUGEES (BANGLADESH)

In our unwavering commitment to Rohingya refugees, we constructed 82 homes, equipped with vital amenities, providing stability and dignity to displaced families. Amidst dire food shortages, we distributed 30,000 hot meals and children's gifts, alleviating hunger and bringing moments of joy to vulnerable families in the camps.

However, faced with governmental restrictions and limited long-term opportunities, we have achieved our objectives and are transitioning out of the region. Despite challenges, our support ensured the refugees' basic needs were met, leaving a lasting impact on their lives.

BANGLADESH

In response to the devastating floods, our emergency relief efforts provided essential support, distributing food packs, hygiene kits, and survival kits to 1050 families, alongside 24000 hot meals for underprivileged individuals. Concurrently, we focused on sustainable development, establishing 35 wells and hand pumps, benefiting 30 people each, and installing a desalination unit, providing clean water to 200,000 beneficiaries. These initiatives not only address immediate needs but also create jobs, encourage education, and ensure the community's well-being. Committed to our charity objectives, we will continue and expand our efforts, emphasising long-term, sustainable projects for the betterment of the community.

WEST BENGAL

At Drop of Compassion, we can provide a bright future for these children, offering essential support in housing, food, education, and overall welfare. Our ongoing commitment ensures these young lives thrive. While we continue our support, we are actively exploring transitions to focus on countries aligning more closely with our objectives, aiming for greater impact and sustainable change.

DROP OF COMPASSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 28TH FEBRUARY 2023

YEMEN

In the face of Yemen's crisis, our Yemen Bread Factory has provided daily sustenance to 5000+ families for 9 months, aiding 30,000 individuals. Additionally, we distributed 450 food packs and 52 Gift Packs, offering vital support. While we remain committed to immediate relief efforts, there is no long-term strategy for Yemen. We plan to continue providing water and food relief in the short term, ensuring ongoing aid to those in need.

LEBANON

Amidst the aftermath of storms in 2022, our aid to Syrian refugees in Lebanon included food packs, hot meals, and vegetable supplies, offering crucial support during harsh conditions. Additionally, we distributed gifts and treats to children, providing comfort amidst challenges. Our focus remains on immediate relief, granting ease to the refugees without a long-term strategy in place.

PAKISTAN

In the wake of Pakistan's devastating floods, our swift aid efforts included distributing food packs, shelters, and survival kits, along with providing clean water access. Despite our assistance, there are no long-term plans due to limited sustainability prospects. Our focus remains on immediate relief during crises.

AFGHANISTAN

During Afghanistan's harsh winter, we collaborated with partners to provide essential aid, distributing food packs, winter packs, shawls, and blankets to the most affected communities. These items aimed to alleviate challenges faced during the bitter cold, ensuring access to food, clothing, and shelter. Despite our assistance, there are no long-term plans due to limited sustainability prospects, aligning with our focus on immediate relief efforts.

Financial review

Financial position

Overall, the charity is in a healthy position as demonstrated by our accounts for the period in concern. This is mainly due to effective cost control, which ensures our running costs are kept to an acceptable level.

During the year the charity raised £1,047,951 (2022: £877,292) in direct donations from the general public to carry out the programmes mentioned above. During the year £1,005,576 (2022: £837,802) from the restricted funds were expended for specific projects.

The charity continues to work closely with a number of partner organisations in providing aid to the needy and, most of the above expenditure was spent with these partner organisations.

A small amount raised with no restrictions in addition to the income tax recoverable from Gift Aid, continue to provide the charity with sufficient funds to carry out its charitable objectives as well as the administration of the charity.

Reserves policy

We aim to utilise the funds within a year of receiving them. Reserves are held for long term projects and for responding to emergencies and disasters.

The unrestricted funds the charity holds is to ensure that it has sufficient reserves to cover the costs of managing and administering the charity for the following year. At the end of each financial year the Trustees critically appraise this level and transfer any excess to where it is most needed in terms of aid.

DROP OF COMPASSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 28TH FEBRUARY 2023

STRATEGIC REPORT

Financial review

The Trustees consider it prudent that the reserves should be sufficient for the charity's use. The Trustees have approved that all unrestricted reserves will be utilised in helping the charity achieve its objectives.

Going concern

Currently no concerns about the charity continuing as a going concern.

Principal risks and uncertainties

The principal financial risks and uncertainties that the charity can face is reduction in donations from key donors as this is the significant portion of the charity's funding. The charity has raised awareness of its activities and sends out advertising material of the work it does in order to attract more donations. This has been successful as the amount of donations have remained consistent.

Future plans

The charity is looking at the options in which it can increase donations from various individuals

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The organisation is a charitable company limited by guarantee, incorporated on 7 February 2013. The company was established under a Memorandum of Association which the objects and powers of the charitable company and its governed under its Articles of Association.

Charity constitution

Private Limited Company by guarantee.

Recruitment and appointment of new trustees

All trustees are involved in any selection process that takes place and a vote amongst the trustees is conducted to appoint any positions within the organisation.

Organisational structure

The board of Trustees of the charity are responsible for the charity's strategic direction. The board of Trustees meet on a termly basis to discuss the activities of the charity.

The board of trustees are supported through the aid of volunteers who manage the daily running of the charity.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Drop Of Compassion for the purposes of company law) 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) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

DROP OF COMPASSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 28TH FEBRUARY 2023

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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 that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

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.

AUDITORS

The auditors, Watergates Ltd (Statutory Auditor), will be proposed for re-appointment at the forthcoming Annual General Meeting.

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 24th November 2023 and signed on the board's behalf by:

Mr M Y Patel - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF DROP OF COMPASSION

Opinion

We have audited the financial statements of Drop Of Compassion (the 'charitable company') for the year ended 28th February 2023 which comprise the Statement of Financial Activities, the Statement of Financial Position, the 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 28th February 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

In connection with our audit of the financial statements, 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 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF DROP OF COMPASSION

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the trustees 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 require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

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

The extent to which the audit was considered capable of detecting irregularities including fraud

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 directors and other management, and from our commercial knowledge and experience of the sector, we also considered the nature of the charity's industry and its control environment;
- we focused on laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006 and taxation legislation; as well as laws and regulations which do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or avoid a material penalty. These included GDPR and health & safety legislation;

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
DROP OF COMPASSION**

- 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 and testing of the key internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations, as well as substantive procedures.

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; assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and investigated the rationale behind significant or unusual transactions.

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;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

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 Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
DROP OF COMPASSION**

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

for and on behalf of Watergates Ltd (Statutory Auditor)
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
109 Coleman Road
Leicester
Leicestershire
LE5 4LE

24th November 2023

DROP OF COMPASSION

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 28TH FEBRUARY 2023**

		Unrestricted fund £	Restricted funds £	28/2/23 Total funds £	28/2/22 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	<u>47,873</u>	<u>1,047,950</u>	<u>1,095,825</u>	<u>958,183</u>
EXPENDITURE ON					
Raising funds	3	-	-	-	7,103
Charitable activities	4				
Donations		26,560	1,005,576	1,032,138	838,501
Other		-	-	-	8,030
Total		<u>26,560</u>	<u>1,005,576</u>	<u>1,032,138</u>	<u>853,634</u>
NET INCOME		21,313	42,374	63,687	104,549
RECONCILIATION OF FUNDS					
Total funds brought forward		189,435	382,176	571,611	467,062
TOTAL FUNDS CARRIED FORWARD		<u>210,748</u>	<u>424,550</u>	<u>635,298</u>	<u>571,611</u>

The notes on page 19 to 26 form part of these financial statements

DROP OF COMPASSION
STATEMENT OF FINANCIAL POSITION
28TH FEBRUARY 2023

	Notes	Unrestricted fund £	Restricted funds £	28/2/23 Total funds £	28/2/22 Total funds £
CURRENT ASSETS					
Debtors	11	60,245	-	60,245	45,808
Cash at bank and in hand		<u>153,003</u>	<u>424,550</u>	<u>577,553</u>	<u>528,303</u>
		213,248	424,550	637,798	574,111
CREDITORS					
Amounts falling due within one year	12	(2,500)	-	(2,500)	(2,500)
NET CURRENT ASSETS		<u>210,748</u>	<u>424,550</u>	<u>635,298</u>	<u>571,611</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		210,748	424,550	635,298	571,611
NET ASSETS		<u>210,748</u>	<u>424,550</u>	<u>635,298</u>	<u>571,611</u>
FUNDS	13				
Unrestricted funds				210,748	189,435
Restricted funds				<u>424,550</u>	<u>382,176</u>
TOTAL FUNDS				<u>635,298</u>	<u>571,611</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 28th February 2023.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

The financial statements were approved by the Board of Trustees and authorised for issue on 24th November 2023 and were signed on its behalf by:

Mr M Y Patel - Trustee

The notes on page 19 to 26 form part of these financial statements

DROP OF COMPASSION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 28TH FEBRUARY 2023

	Notes	28/2/23 £	28/2/22 £
Cash flows from operating activities			
Cash generated from operations	1	<u>49,250</u>	<u>106,641</u>
Net cash provided by operating activities		<u>49,250</u>	<u>106,641</u>
		_____	_____
Change in cash and cash equivalents in the reporting period		49,250	106,641
Cash and cash equivalents at the beginning of the reporting period		<u>528,303</u>	<u>421,662</u>
Cash and cash equivalents at the end of the reporting period		<u>577,553</u>	<u>528,303</u>

The notes on page 19 to 26 form part of these financial statements

DROP OF COMPASSION

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 28TH FEBRUARY 2023

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	28/2/23 £	28/2/22 £
Net income for the reporting period (as per the Statement of Financial Activities)	63,687	104,549
Adjustments for:		
(Increase)/decrease in debtors	(14,437)	3,192
Decrease in creditors	<u>-</u>	<u>(1,100)</u>
Net cash provided by operations	<u>49,250</u>	<u>106,641</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.3.22 £	Cash flow £	At 28.2.23 £
Net cash			
Cash at bank and in hand	<u>528,303</u>	<u>49,250</u>	<u>577,553</u>
	<u>528,303</u>	<u>49,250</u>	<u>577,553</u>
Total	<u>528,303</u>	<u>49,250</u>	<u>577,553</u>

The notes on page 19 to 26 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28TH FEBRUARY 2023

1. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The Charity meets the definition of a public entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The functional currency of the charity is considered to be pounds sterling because that is the currency of the primary economic environment in which the Charity operates. The financial statements are also presented in pounds sterling. The amounts in the financial statements are presented to the nearest £1, unless otherwise stated.

The preparation of the financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the charity's accounting policies. There are no significant areas requiring material judgements, estimates or assumptions.

INCOME

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Donations and legacies: This comprises all incoming resources from donations collected directly or by volunteers and income from fundraising events during the year. Gift Aid tax recoverable under the Gift Aid Scheme is recognised where there is an entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Where a claim for repayment of income tax has been or will be made, such income is included in the debtors' amount if still not received by the year end.

The value of services provided by volunteers is difficult to put a monetary value on and therefore has not been included in accordance with the Charities SORP (FRS102).

EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure is classified under the following activity headings:

DROP OF COMPASSION

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 28TH FEBRUARY 2023

1. ACCOUNTING POLICIES - continued

EXPENDITURE

Charitable activities: Costs associated with the provision of emergency relief, development and longer term rehabilitation programmes as elaborated on in the Trustees' Report. These include both direct charitable expenditure, grants payable and support costs relating to these activities. Grants payable to other organisations for relief projects are included in the SOFA when approved by the trustees and agreed with the other organisation.

Support costs: Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs for a single activity are allocated to the particular activity where the cost relates directly to that activity. However, Support costs that represent the support functions of management, finance, human resources, IT and support departments attributable to the management of the Charity's assets, are allocated in proportion to the type of charitable activity during the period.

Governance costs: These are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities. Governance support costs are allocated on the basis of support activities provided on clearly interpreted governance matters.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

TAXATION

The charity is exempt from corporation tax on its charitable activities.

FUND ACCOUNTING

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

2. DONATIONS AND LEGACIES

	28/2/23	28/2/22
	£	£
Donations	<u>1,095,825</u>	<u>958,183</u>

The charity benefits greatly from the involvement and enthusiastic support of its many volunteers. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

DROP OF COMPASSION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2023**

3. RAISING FUNDS

RAISING DONATIONS AND LEGACIES

	28/2/23	28/2/22
	£	£
Advertising and PR	<u>-</u>	<u>7,103</u>

4. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 5) £	Grant funding of activities (see note 6) £	Support costs (see note 7) £	Totals £
Donations	<u>8,356</u>	<u>1,016,659</u>	<u>7,123</u>	<u>1,032,138</u>

5. DIRECT COSTS OF CHARITABLE ACTIVITIES

	28/2/23	28/2/22
	£	£
Travel and subsistence	<u>8,356</u>	<u>-</u>

6. GRANTS PAYABLE

	28/2/23	28/2/22
	£	£
Donations	<u>1,016,659</u>	<u>838,501</u>

The total grants paid to institutions during the year was as follows:

	28/2/23	28/2/22
	£	£
Various relief and support programmes	<u>1,016,659</u>	<u>838,501</u>

DROP OF COMPASSION

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 28TH FEBRUARY 2023

7. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Donations	<u>5,291</u>	<u>752</u>	<u>1,080</u>	<u>7,123</u>

Support costs, included in the above, are as follows:

	28/2/23	28/2/22
	Donations £	Total activities £
Telephone	273	72
Sundries	1,150	389
Software	604	1,250
Consultancy	3,264	304
Equipment expensed	-	4,099
Bank charges	752	1,456
Auditors' remuneration	1,080	-
Accountancy and legal fees	-	460
	<u>7,123</u>	<u>8,030</u>

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	28/2/23	28/2/22
	£	£
Auditors' remuneration	<u>1,080</u>	<u>-</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 28th February 2023 nor for the year ended 28th February 2022.

TRUSTEES' EXPENSES

There were no trustees' expenses paid for the year ended 28th February 2023 nor for the year ended 28th February 2022.

DROP OF COMPASSION

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2023

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	<u>80,891</u>	<u>877,292</u>	<u>958,183</u>
 EXPENDITURE ON			
Raising funds	7,103	-	7,103
Charitable activities			
Donations	699	837,802	838,501
Other	<u>8,030</u>	<u>-</u>	<u>8,030</u>
Total	<u>15,832</u>	<u>837,802</u>	<u>853,634</u>
 NET INCOME	65,059	39,490	104,549
Transfers between funds	<u>(10,238)</u>	<u>10,238</u>	<u>-</u>
Net movement in funds	54,821	49,728	104,549
 RECONCILIATION OF FUNDS			
Total funds brought forward	<u>134,614</u>	<u>332,448</u>	<u>467,062</u>
 TOTAL FUNDS CARRIED FORWARD	<u>189,435</u>	<u>382,176</u>	<u>571,611</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	28/2/23 £	28/2/22 £
Prepayments and accrued income	<u>60,245</u>	<u>45,808</u>

DROP OF COMPASSION

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2023

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	28/2/23 £	28/2/22 £
Accruals and deferred income	<u>2,500</u>	<u>2,500</u>

13. MOVEMENT IN FUNDS

	At 1.3.22 £	Net movement in funds £	At 28.2.23 £
Unrestricted funds			
General fund	189,435	21,313	210,748
Restricted funds			
Feeding	50,946	22,385	73,331
Orphans and children in need	31,066	(14,633)	16,433
Water	56,415	20,888	77,303
Medical and healthcare	-	10,921	10,921
Development	47,802	(29,019)	18,783
Most needy restricted	<u>195,947</u>	<u>31,832</u>	<u>227,779</u>
	<u>382,176</u>	<u>42,374</u>	<u>424,550</u>
TOTAL FUNDS	<u>571,611</u>	<u>63,687</u>	<u>635,298</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	47,874	(26,561)	21,313
Restricted funds			
Feeding	117,505	(95,120)	22,385
Orphans and children in need	14,567	(29,200)	(14,633)
Education	4,574	(4,574)	-
Water	178,608	(157,720)	20,888
Medical and healthcare	57,588	(46,667)	10,921
Development	51,347	(80,366)	(29,019)
Most needy restricted	<u>623,762</u>	<u>(591,930)</u>	<u>31,832</u>
	<u>1,047,951</u>	<u>(1,005,577)</u>	<u>42,374</u>
TOTAL FUNDS	<u>1,095,825</u>	<u>(1,032,138)</u>	<u>63,687</u>

DROP OF COMPASSION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2023**

13. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.3.21 £	Net movement in funds £	Transfers between funds £	At 28.2.22 £
Unrestricted funds				
General fund	134,614	65,059	(10,238)	189,435
Restricted funds				
Feeding	57,794	(6,848)	-	50,946
Orphans and children in need	37,961	(6,895)	-	31,066
Education	2,173	(2,173)	-	-
Water	36,893	10,512	9,010	56,415
Community	-	(1,228)	1,228	-
Development	4,427	43,375	-	47,802
Most needy restricted	<u>193,200</u>	<u>2,747</u>	<u>-</u>	<u>195,947</u>
	<u>332,448</u>	<u>39,490</u>	<u>10,238</u>	<u>382,176</u>
TOTAL FUNDS	<u>467,062</u>	<u>104,549</u>	<u>-</u>	<u>571,611</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	80,891	(15,832)	65,059
Restricted funds			
Feeding	132,668	(139,516)	(6,848)
Orphans and children in need	47,405	(54,300)	(6,895)
Education	4,146	(6,319)	(2,173)
Water	216,821	(206,309)	10,512
Medical and healthcare	38,586	(38,586)	-
Community	-	(1,228)	(1,228)
Development	197,099	(153,724)	43,375
Most needy restricted	<u>240,567</u>	<u>(237,820)</u>	<u>2,747</u>
	<u>877,292</u>	<u>(837,802)</u>	<u>39,490</u>
TOTAL FUNDS	<u>958,183</u>	<u>(853,634)</u>	<u>104,549</u>

DROP OF COMPASSION
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2023

14. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 28th February 2023.

15. COMPANY LIMITED BY GUARANTEE

Drop of Compassion is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

DROP OF COMPASSION

England & Wales - Charity number 1151443

Accounts

**TRUSTEES' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28TH FEBRUARY 2022
FOR
DROP OF COMPASSION
(A COMPANY LIMITED BY GUARANTEE)**

Watergates Ltd
109 Coleman Road
Leicester
Leicestershire
LE5 4LE

DROP OF COMPASSION

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28TH FEBRUARY 2022**

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DROP OF COMPASSION
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 28TH FEBRUARY 2022

TRUSTEES	Mr I H Chhatbar Mr S Chopdat Mr O M Ismail Mr S M Lambat Mr H Y Lambat Mr I Y Patel Mr M Y Patel
REGISTERED OFFICE	9 Exton Road Leicester LE5 4AF
REGISTERED COMPANY NUMBER	08393664 (England and Wales)
REGISTERED CHARITY NUMBER	1151443
INDEPENDENT EXAMINER	Watergates Ltd 109 Coleman Road Leicester Leicestershire LE5 4LE

DROP OF COMPASSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 28TH FEBRUARY 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 28th February 2022. The trustees have adopted the provisions of 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) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

To relieve financial hardship, distress and suffering among poor people, victims of natural and man-made disasters and other people in need, by means of, but not exclusively, making grants or loans for providing or paying for items, equipment, services and facilities, including the establishment of irrigation systems, water wells, and water sanitation systems for the benefit of the said persons.

To promote sustainable development for the benefit of the public by the preservation, conservation and the protection of the environment and the prudent use of resources, and the promotion of sustainable means of achieving economic growth and regeneration, such that sustainable development means development which meets the needs of the present without compromising the ability of future generations to meet their own needs.

To advance education for the benefit of the poor, the underprivileged and the general public by means of, but not exclusively, the provision or the assistance in the provision of educational activities and facilities, such as schools, libraries and training centres, and the provision of vocational training and adult learning programmes.

To relieve sickness and to preserve good health among the poor and people in need by means of, but not exclusively, the provision or assistance in the provision of services, facilities, equipment, clinics, medicines or grants for medical diagnosis and treatment, and provision of health education.

To advance islam for public benefit by means thought fit by the trustees from time to time.

Significant activities

During this financial year, we have carried out the following work:

Leicester Food Bank Support

We supported a local foodbank to provide foodpacks to individuals and families struggling with financial difficulties. The foodpacks included essential sustenance items including milk, eggs, pasta, rice, tinned food and tea/coffee

Malawi Projects

HEALTH

We continued to provide free consultations and treatments for common conditions including malaria at the health clinic we have sponsored in Somba for the last 7 years where 3000 patients are seen monthly. Prior to the clinic being established, people were forced to travel up to 30km across rough terrain. 52% of the treatments are malaria related with 12% for HIV. The clinic also provides maternity services covering prenatal, birth and postnatal care through which we support 360 births annually and support to 4000 beneficiaries.

DROP OF COMPASSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 28TH FEBRUARY 2022

OBJECTIVES AND ACTIVITIES

EDUCATION

We are passionate about safeguarding the prospects of the future generation and continue to support various education initiatives.

Our university scholarship programme supported 20 students to specialise in Medicine, Bio-Medical sciences and Public health. We also funded the construction of a new school block in the Masuku area which benefits 200 students and also a new kitchen area for a school in Mikundi to serve 400+ students. To ensure students have increased energy levels and engagement, we provided daily lunches to schools in Mikundi, Masuku and Somba benefitting 200 students.

WATER IRRIGATION

The scheme supplies an abundance of water to a village all year round. This is enough to provide the foundation for growing staple crops, introduction of new high earning crops, fruit farms, honey farms, fish farming, cattle rearing and ability to sell to market. This year we have completed 12 Irrigation schemes which will directly benefit 5000 people.

WATERWHEELS

A simple, highly effective roller device to make transporting water easy. Normally, women and children carry buckets on their heads travelling considerably long distances.

We distributed 2100 waterwheels to families across a number of rural areas enabling them to transport water back from long distances to their villages safely without having to carry buckets on their heads.

BOREHOLES

Boreholes provide easy access to safe and reliable clean water to families who otherwise would have to travel long distances. This year we built 13 boreholes that directly benefitted approximately 39000 people.

SUSTAINABILITY

These projects set communities up to be self-sustaining to earn a livelihood. We have planted 10000+ fruit trees, distributed 720 goats and bee hives for honey farming that benefits 2,240 people.

EMERGENCY RESPONSE

Tropical storm, named ANA caused devastation across southern Malawi leaving almost 20 districts flooded and in some areas, without power and water supplies. More than 100,000 people were forced to flee their homes with most also unable to sustain incomes due to farmlands being devastated.

An emergency relief effort was mobilised to support those affected which included the distribution of 1000 food parcels, 2100 waterwheels and cash assistance to 1000 families.

Rohingya Refugee Projects

HOT FOOD DISTRIBUTION

Everyone needs a hot meal. This provides a lifeline in terms of basic nutrition to those who are malnourished and under privileged. Throughout the year, we provided 48000 hot meals to children, women and vulnerable adults.

FOOD PACK

Many habitants within the refugee camps are unable to procure basic food essentials. We provided 1000 food packs to the most needy families in the refugee camps.

ROHINGYA HOMES

Many families remain without adequate housing despite residing in the camps for a number of years. With continued uncertainty and no immediate plans for repatriation home, it was important that families were provided with a safe habitat. We provided 250 families with homes, all equipped with blankets, lighting and solar energy.

Bangladesh Projects

FOOD PACKS

DROP OF COMPASSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 28TH FEBRUARY 2022

OBJECTIVES AND ACTIVITIES

To assist families that are experiencing financial hardship, food packs were distributed to 333 families in most needy areas across Bangladesh.

HOT FOOD DISTRIBUTION

Hot meals were provided to underprivileged families during the month of Ramadan to ensure basic nutritional needs whilst observing a period of fasting. This year 24000 hot meals were provided to children, women and vulnerable adults.

HAND PUMPS IN BANGLADESH

In rural areas where access to clean water was scarce, we built 30 handpumps in Bangladesh benefitting close to 1000 people.

West Bengal Projects

EMERGENCY RELIEF

Following a cyclone which caused devastation across large parts of the country, essential supplies including foodpacks and hot food were provided to those impacted.

WEST BENGAL ORPHANS

Every child has the right to be loved and nurtured and orphans are no exception. We continue to sponsor 340 orphan girls by providing them with housing, food, education and welfare.

Yemen Projects

YEMEN FOOD PACKS

Yemen continues to experience a humanitarian crisis and remains the poorest of Arab nations. 1450 food parcels were distributed amongst the poor and needy.

YEMEN BREAD FACTORY

We provided bread to 5000 people daily for 8 months (12 bread sticks in a pack).

YEMEN SOLAR HYBRID TUBEWELL

We built 1 Water Pump which will provide clean water to approximately 7,500 people.

HOT FOOD

12000 hot meals were provided to the poor and needy who were observing fasts during the month of Ramadan.

Lebanon Projects

EMERGENCY RELIEF

Storms and heavy rain caused damage to refugee shelters meaning lives were at risk due the vulnerable having no protection from freezing temperatures. To protect lives, emergency relief was provided through 800 food packs, 300 winter blankets and 300 fuel gallons.

Public benefit

The Trustees have given due consideration to the Charity Commission's published guidance on the Public Benefit Requirement.

Volunteers

We have a small number of volunteers who assist on an ad-hoc basis mainly during the month of Ramadhan for pledge days and fundraising activities.

DROP OF COMPASSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 28TH FEBRUARY 2022

STRATEGIC REPORT

Achievement and performance

Drop of compassion remains committed to providing long term, sustainable solutions in Malawi. The country remains amongst the poorest in the world with an ongoing need for relief support. Our projects in the current year were delivered against key focus areas including Water, health, education and sustainability. Despite the pandemic, we were still able to deliver scale projects benefitting thousands of people. These included 12 irrigation schemes which not only alleviate the initial need of access to clean water but a means to earn a sustainable income through crop yields. It is also the charities intention to expand on our existing portfolio of community hubs which benefit from a number of our projects in a single location and have proven successful in create thriving communities.

ROHINGYA

Drop of compassion have continued to provide essential relief to the Rohingya refugees that fled the war in Myanmar into Bangladesh. With no immediate plans for repatriation, the charity intends to continue supporting with housing shelters and basic necessities including food and medical care. This will ensure that those already suffering from being displaced from their home are not left neglected with the additional worry of survival without essentials.

WEST BENGAL

Drop of Compassion identified a need to support 340 orphan/children girls whose family couldn't provide for them. We took on the responsibility of the upkeep of these children to facilitate in their welfare, education and social development. Those children who have completed their education are then provided further training to then teach within the institute or supported in moving to further their careers or aspirations. We remain committed to the continued support of the orphanage running costs whilst also exploring how the building can be improved with better facilities and living standards.

YEMEN

The ongoing humanitarian crisis in Yemen where they remain the poorest of Arab nations supported our decision to provide emergency relief to those in need. In the short term, we plan on continuing with our projects to provide water and food relief to those in need. There is currently no long term strategy to continue to work in Yemen.

LEBANON

Lebanon is currently home to Syrian refugees who have fled due to ongoing conflicts in their home country. Severe weather conditions in freezing temperatures put lives at risk unless emergency relief was provided. Drop of compassion provided emergency supplies including food packs, blankets and fuel gallons.

Financial review

Financial position

Overall, the charity is in a healthy position as demonstrated by our accounts for the period in concern. This is mainly due to effective cost control, which ensures our running costs are kept to an acceptable level.

During the year the charity raised £877,292 (2021: £1,053,432) in direct donations from the general public to carry out the programmes mentioned above. During the year £837,802 (2021: £1,012,091) from the restricted funds were expended for specific projects.

The charity continues to work closely with a number of partner organisations in providing aid to the needy and, most of the above expenditure was spent with these partner organisations.

A small amount raised with no restrictions in addition to the income tax recoverable from Gift Aid, continue to provide the charity with sufficient funds to carry out its charitable objectives as well as the administration of the charity.

DROP OF COMPASSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 28TH FEBRUARY 2022

STRATEGIC REPORT

Financial review

Reserves policy

We aim to utilise the funds within a year of receiving them. Reserves are held for long term projects and for responding to emergencies and disasters.

The unrestricted funds the charity holds is to ensure that it has sufficient reserves to cover the costs of managing and administering the charity for the following year. At the end of each financial year the Trustees critically appraise this level and transfer any excess to where it is most needed in terms of aid.

The Trustees consider it prudent that the reserves should be sufficient for the charity's use. The Trustees have approved that all unrestricted reserves will be utilised in helping the charity achieve its objectives.

Going concern

Currently no concerns about the charity continuing as a going concern.

Principal risks and uncertainties

The principal financial risks and uncertainties that the charity can face is reduction in donations from key donors as this is the significant portion of the charity's funding. The charity has raised awareness of its activities and sends out advertising material of the work it does in order to attract more donations. This has been successful as the amount of donations have remained consistent.

Future plans

The charity is looking at the options in which it can increase donations from various individuals

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The organisation is a charitable company limited by guarantee, incorporated on 7 February 2013. The company was established under a Memorandum of Association which the objects and powers of the charitable company and its governed under its Articles of Association.

Charity constitution

Private Limited Company by guarantee.

Recruitment and appointment of new trustees

All trustees are involved in any selection process that takes place and a vote amongst the trustees is conducted to appoint any positions within the organisation.

Organisational structure

The board of Trustees of the charity are responsible for the charity's strategic direction. The board of Trustees meet on a termly basis to discuss the activities of the charity.

The board of trustees are supported through the aid of volunteers who manage the daily running of the charity.

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 29th November 2022 and signed on the board's behalf by:

Mr M Y Patel - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
DROP OF COMPASSION**

Independent examiner's report to the trustees of Drop Of Compassion ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 28th February 2022.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of FCCA which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Nazir Malida
FCCA
Watergates Ltd
109 Coleman Road
Leicester
Leicestershire
LE5 4LE

29th November 2022

DROP OF COMPASSION

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 28TH FEBRUARY 2022**

		Unrestricted fund £	Restricted funds £	28/2/22 Total funds £	28/2/21 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	80,891	877,292	958,183	1,134,462
EXPENDITURE ON					
Raising funds	3	7,103	-	7,103	2,066
Charitable activities	4				
Donations		699	837,802	838,501	1,012,091
Other		8,030	-	8,030	10,274
Total		15,832	837,802	853,634	1,024,431
NET INCOME		65,059	39,490	104,549	110,031
Transfers between funds	12	(10,238)	10,238	-	-
Net movement in funds		54,821	49,728	104,549	110,031
RECONCILIATION OF FUNDS					
Total funds brought forward		134,614	332,448	467,062	357,031
TOTAL FUNDS CARRIED FORWARD		189,435	382,176	571,611	467,062

The notes on page 0 form part of these financial statements

DROP OF COMPASSION
STATEMENT OF FINANCIAL POSITION
28TH FEBRUARY 2022

	Notes	Unrestricted fund £	Restricted funds £	28/2/22 Total funds £	28/2/21 Total funds £
CURRENT ASSETS					
Debtors	10	45,808	-	45,808	49,000
Cash at bank		146,127	382,176	528,303	421,662
		<u>191,935</u>	<u>382,176</u>	<u>574,111</u>	<u>470,662</u>
CREDITORS					
Amounts falling due within one year	11	(2,500)	-	(2,500)	(3,600)
		<u>189,435</u>	<u>382,176</u>	<u>571,611</u>	<u>467,062</u>
NET CURRENT ASSETS					
		<u>189,435</u>	<u>382,176</u>	<u>571,611</u>	<u>467,062</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>189,435</u>	<u>382,176</u>	<u>571,611</u>	<u>467,062</u>
NET ASSETS					
		<u>189,435</u>	<u>382,176</u>	<u>571,611</u>	<u>467,062</u>
FUNDS	12				
Unrestricted funds				189,435	134,614
Restricted funds				382,176	332,448
TOTAL FUNDS				<u>571,611</u>	<u>467,062</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 28th February 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 28th February 2022 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The financial statements were approved by the Board of Trustees and authorised for issue on 29th November 2022 and were signed on its behalf by:

Mr M Y Patel - Trustee

The notes on page 0 form part of these financial statements

DROP OF COMPASSION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 28TH FEBRUARY 2022

	Notes	28/2/22 £	28/2/21 £
Cash flows from operating activities			
Cash generated from operations	1	106,641	146,473
Net cash provided by operating activities		106,641	146,473
Change in cash and cash equivalents in the reporting period		106,641	146,473
Cash and cash equivalents at the beginning of the reporting period		421,662	275,189
Cash and cash equivalents at the end of the reporting period		528,303	421,662

The notes on page 0 form part of these financial statements

DROP OF COMPASSION

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 28TH FEBRUARY 2022

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	28/2/22 £	28/2/21 £
Net income for the reporting period (as per the Statement of Financial Activities)	104,549	110,031
Adjustments for:		
Decrease in debtors	3,192	34,842
(Decrease)/increase in creditors	(1,100)	1,600
Net cash provided by operations	106,641	146,473

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.3.21 £	Cash flow £	At 28.2.22 £
Net cash			
Cash at bank	421,662	106,641	528,303
	421,662	106,641	528,303
Total	421,662	106,641	528,303

The notes on page 0 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28TH FEBRUARY 2022**

1. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The Charity meets the definition of a public entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The functional currency of the charity is considered to be pounds sterling because that is the currency of the primary economic environment in which the Charity operates. The financial statements are also presented in pounds sterling. The amounts in the financial statements are presented to the nearest £1, unless otherwise stated.

The preparation of the financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the charity's accounting policies. There are no significant areas requiring material judgements, estimates or assumptions.

INCOME

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Donations and legacies: This comprises all incoming resources from donations collected directly or by volunteers and income from fundraising events during the year. Gift Aid tax recoverable under the Gift Aid Scheme is recognised where there is an entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Where a claim for repayment of income tax has been or will be made, such income is included in the debtors' amount if still not received by the year end.

The value of services provided by volunteers is difficult to put a monetary value on and therefore has not been included in accordance with the Charities SORP (FRS102).

EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure is classified under the following activity headings:

Charitable activities: Costs associated with the provision of emergency relief, development and longer term rehabilitation programmes as elaborated on in the Trustees' Report. These include both direct charitable expenditure, grants payable and support costs relating to these activities. Grants payable to other organisations for relief projects are included in the SOFA when approved by the trustees and agreed with the other organisation.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2022

1. ACCOUNTING POLICIES - continued

EXPENDITURE

Support costs: Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs for a single activity are allocated to the particular activity where the cost relates directly to that activity. However, Support costs that represent the support functions of management, finance, human resources, IT and support departments attributable to the management of the Charity's assets, are allocated in proportion to the type of charitable activity during the period.

Governance costs: These are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities. Governance support costs are allocated on the basis of support activities provided on clearly interpreted governance matters.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

TAXATION

The charity is exempt from corporation tax on its charitable activities.

FUND ACCOUNTING

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

2. DONATIONS AND LEGACIES

	28/2/22	28/2/21
	£	£
Donations	958,183	1,134,462

The charity benefits greatly from the involvement and enthusiastic support of its many volunteers. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

DROP OF COMPASSION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2022**

3. RAISING FUNDS

RAISING DONATIONS AND LEGACIES

	28/2/22	28/2/21
	£	£
Advertising and PR	7,103	2,066

4. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (see note 6) £
Donations	838,501

5. DIRECT COSTS OF CHARITABLE ACTIVITIES

28/2/22	28/2/21
£	£

6. GRANTS PAYABLE

	28/2/22	28/2/21
	£	£
Donations	838,501	1,012,091

The total grants paid to institutions during the year was as follows:

	28/2/22	28/2/21
	£	£
Various relief and support programmes	838,501	1,012,091

7. SUPPORT COSTS

	Management	Finance	Governance	Totals
	£	£	costs	£
	£	£	£	£
Other resources expended	6,114	1,456	460	8,030

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2022

7. SUPPORT COSTS - continued

Support costs, included in the above, are as follows:

	28/2/22	28/2/21
	Other	Total
	resources	activities
	expended	£
	£	
Telephone	72	124
Sundries	389	2,017
Software	1,250	2,457
Consultancy	304	1,260
Equipment expensed	4,099	-
Bank charges	1,456	1,316
Accountancy and legal fees	460	3,100
	<u>8,030</u>	<u>10,274</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 28th February 2022 nor for the year ended 28th February 2021.

TRUSTEES' EXPENSES

There were no trustees' expenses paid for the year ended 28th February 2022 nor for the year ended 28th February 2021.

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted	Restricted	Total
	fund	funds	funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	81,030	1,053,432	1,134,462
	<u> </u>	<u> </u>	<u> </u>
EXPENDITURE ON			
Raising funds	2,066	-	2,066
Charitable activities			
Donations	29,420	982,671	1,012,091
Other	10,274	-	10,274
Total	<u>41,760</u>	<u>982,671</u>	<u>1,024,431</u>
NET INCOME	39,270	70,761	110,031
Transfers between funds	3,511	(3,511)	-
Net movement in funds	<u>42,781</u>	<u>67,250</u>	<u>110,031</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	91,832	265,199	357,031

DROP OF COMPASSION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2022**

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Total funds £
TOTAL FUNDS CARRIED FORWARD	<u>134,613</u>	<u>332,449</u>	<u>467,062</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	28/2/22 £	28/2/21 £
Prepayments and accrued income	<u>45,808</u>	<u>49,000</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	28/2/22 £	28/2/21 £
Accruals and deferred income	<u>2,500</u>	<u>3,600</u>

12. MOVEMENT IN FUNDS

	At 1.3.21 £	Net movement in funds £	Transfers between funds £	At 28.2.22 £
Unrestricted funds				
General fund	134,614	65,059	(10,238)	189,435
Restricted funds				
Feeding	57,794	(6,848)	-	50,946
Orphans and children in need	37,961	(6,895)	-	31,066
Education	2,173	(2,173)	-	-
Water	36,893	10,512	9,010	56,415
Community	-	(1,228)	1,228	-
Development	4,427	43,375	-	47,802
Most needy restricted	193,200	2,747	-	195,947
	<u>332,448</u>	<u>39,490</u>	<u>10,238</u>	<u>382,176</u>
TOTAL FUNDS	<u>467,062</u>	<u>104,549</u>	<u>-</u>	<u>571,611</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2022

12. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	80,891	(15,832)	65,059
Restricted funds			
Feeding	132,668	(139,516)	(6,848)
Orphans and children in need	47,405	(54,300)	(6,895)
Education	4,146	(6,319)	(2,173)
Water	216,821	(206,309)	10,512
Medical and healthcare	38,586	(38,586)	-
Community	-	(1,228)	(1,228)
Development	197,099	(153,724)	43,375
Most needy restricted	240,567	(237,820)	2,747
	<u>877,292</u>	<u>(837,802)</u>	<u>39,490</u>
TOTAL FUNDS	<u><u>958,183</u></u>	<u><u>(853,634)</u></u>	<u><u>104,549</u></u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2022

12. MOVEMENT IN FUNDS - continued**Comparatives for movement in funds**

	At 29.2.20 £	Net movement in funds £	Transfers between funds £	At 28.2.21 £
Unrestricted funds				
General fund	91,832	39,271	3,511	134,614
Restricted funds				
Malawi - Borehole	(964)	-	964	-
Malawi - Build a Home	2,949	-	(2,949)	-
Malawi - Build a Masjid	(4,572)	-	4,572	-
Malawi - Honey Farming	200	-	(200)	-
Malawi Floods	120	-	(120)	-
Malawi - Classroom Block Malawi	211	-	(211)	-
Malawi - Nursery Malawi	(1,320)	-	1,320	-
Malawi - Health Clinic	558	-	(558)	-
Malawi - Goat Project	75	-	(75)	-
Malawi - Water Irrigation	316	-	(316)	-
Malawi - Water Wheel	25,694	-	(25,694)	-
Malawi - Planting Fruit Trees	302	-	(302)	-
Rohingya Homes	856	-	(856)	-
Rohingya Masjid	(2,500)	-	2,500	-
Rohingya hot food/Iftar	15,230	-	(15,230)	-
Rohingya - Most Needy	64,047	-	(64,047)	-
Rohingya - Tara Wells	660	-	(660)	-
West Bengal - Girls Education Centre	3,409	-	(3,409)	-
West Bengal Orphanage	31,122	-	(31,122)	-
Yemen - Most Needy	609	-	(609)	-
Yemen Bread Factory	3,216	-	(3,216)	-
Fidya/Kaffarah	105	-	(105)	-
Most Needy - Sadaqah	3,511	-	(3,511)	-
Most Needy - Zakah	121,365	-	(121,365)	-
Feeding	-	41,987	15,807	57,794
Orphans and children in need	-	4,750	33,211	37,961
Education	-	2,173	-	2,173
Water	-	11,187	25,706	36,893
Medical and healthcare	-	(678)	678	-
Development	-	4,478	(51)	4,427
Most needy restricted	-	6,863	186,337	193,200
	<u>265,199</u>	<u>70,760</u>	<u>(3,511)</u>	<u>332,448</u>
TOTAL FUNDS	<u><u>357,031</u></u>	<u><u>110,031</u></u>	<u><u>-</u></u>	<u><u>467,062</u></u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2022

12. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	81,030	(41,759)	39,271
Restricted funds			
Yemen - Most Needy	1	(1)	-
Feeding	141,348	(99,361)	41,987
Orphans and children in need	278,250	(273,500)	4,750
Education	4,173	(2,000)	2,173
Water	231,181	(219,994)	11,187
Medical and healthcare	41,441	(42,119)	(678)
Community	27,328	(27,328)	-
Development	110,755	(106,277)	4,478
Most needy restricted	218,955	(212,092)	6,863
	<u>1,053,432</u>	<u>(982,672)</u>	<u>70,760</u>
TOTAL FUNDS	<u>1,134,462</u>	<u>(1,024,431)</u>	<u>110,031</u>

13. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 28th February 2022.

14. COMPANY LIMITED BY GUARANTEE

Drop of Compassion is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

DROP OF COMPASSION

England & Wales - Charity number 1151443

Accounts

REGISTERED COMPANY NUMBER: 08393664 (England and Wales)
REGISTERED CHARITY NUMBER: 1151443

TRUSTEES' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28TH FEBRUARY 2021
FOR
DROP OF COMPASSION
(A COMPANY LIMITED BY GUARANTEE)

Watergates Ltd (Statutory Auditor)
109 Coleman Road
Leicester
Leicestershire
LE5 4LE

DROP OF COMPASSION

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28TH FEBRUARY 2021**

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DROP OF COMPASSION

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 28TH FEBRUARY 2021**

TRUSTEES

Mr I H Chhatbar
Mr S Chopdat
Mr O M Ismail
Mr S M Lambat
Mr H Y Lambat
Mr I Y Patel
Mr M Y Patel

REGISTERED OFFICE

9 Exton Road
Leicester
LE5 4AF

**REGISTERED COMPANY
NUMBER**

08393664 (England and Wales)

REGISTERED CHARITY NUMBER 1151443

AUDITORS

Watergates Ltd (Statutory Auditor)
109 Coleman Road
Leicester
Leicestershire
LE5 4LE

DROP OF COMPASSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 28TH FEBRUARY 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 28th February 2021. The trustees have adopted the provisions of 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) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

To relieve financial hardship, distress and suffering among poor people, victims of natural and man-made disasters and other people in need, by means of, but not exclusively, making grants or loans for providing or paying for items, equipment, services and facilities, including the establishment of irrigation systems, water wells, and water sanitation systems for the benefit of the said persons.

To promote sustainable development for the benefit of the public by the preservation, conservation and the protection of the environment and the prudent use of resources, and the promotion of sustainable means of achieving economic growth and regeneration, such that sustainable development means development which meets the needs of the present without compromising the ability of future generations to meet their own needs.

To advance education for the benefit of the poor, the underprivileged and the general public by means of, but not exclusively, the provision or the assistance in the provision of educational activities and facilities, such as schools, libraries and training centres, and the provision of vocational training and adult learning programmes.

To relieve sickness and to preserve good health among the poor and people in need by means of, but not exclusively, the provision or assistance in the provision of services, facilities, equipment, clinics, medicines or grants for medical diagnosis and treatment, and provision of health education.

To advance islam for public benefit by means thought fit by the trustees from time to time.

DROP OF COMPASSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 28TH FEBRUARY 2021

OBJECTIVES AND ACTIVITIES

Significant activities

During this financial year, we have carried out the following work:

LEICESTER CHILDREN'S HOSPITAL

We supported the funding towards developing a dedicated children's hospital in Leicester to serve the entire East Midlands region. The facility includes a dedicated HDU ward and 10 single bed rooms.

COVID19 LOCAL SUPPORT

A number of local charities were supported to procure essential food and domestic items for those in need during the pandemic. Foodbanks were assisted with 600kg+ frozen chicken fillets, 10,000+ eggs, 250+ cereal packs, 500+ packs of rice and substantial quantities of other essential food items including tea/coffee, squash, tinned fish/fruit/veg.

We also Provided 600 hand lotions to NHS Leicester (200 per site) and calculators and magic Pens to hospital COVID-19 wards in collaboration with Office Depot Leicester.

Malawi Projects

HEALTH

We continued to provide free consultations and treatments for common conditions including malaria at the health clinic we have sponsored in Somba for the last 6 years where 3300 patients are seen monthly. The clinic also provides maternity services covering prenatal, birth and postnatal care through which we supported 841 births.

EDUCATION

We continued to sponsor various education institutes including a nursery in Zomba which accommodates 30 students, a primary school in Somba with 1400 students and Mikundi with 400 students. In addition to fulfilling educational needs, we also provided hot meals to the students. 4 young adults were provided with university sponsorships.

The development of a new secondary school commenced with the foundation being laid however completion was delayed to April 2022 due to COVID-19 and rising material costs.

WATER IRRIGATION

The scheme supplies an abundance of water to a village all year round. This is enough to provide the foundation for growing staple crops, introduction of new high earning crops, fruit farms, honey farms, fish farming, cattle rearing and ability to sell to market. This year we have completed 20 Irrigation schemes which will benefit over 8000 people.

WATERWHEELS

A simple, highly effective roller device to make transporting water easy. Normally, women and children carry buckets on their heads travelling considerably long distances.

We distributed 2100 waterwheels to families across a number of rural areas enabling them to transport water back from long distances to their villages safely without having to carry buckets on their heads.

SUSTAINABILITY

These projects set communities up to be self-sustaining to earn a livelihood. We planted 2100 fruit trees, 96 bee hives for honey farming and distributed 420 goats.

DRILLED BOREHOLES

Boreholes can be drilled to provide a safe and reliable source of water for a whole community and avoid the risk of cross contamination of water borne diseases. We built 12 Boreholes in Zomba, Mangochi and Blantyre Districts which will provide clean water to approximately 20,000 people.

DROP OF COMPASSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 28TH FEBRUARY 2021

OBJECTIVES AND ACTIVITIES

MOSQUES

Mosques are the safe haven and heart of muslim communities. We have built 4 mosques across muslim populated rural areas in Malawi: Jali Perusi & Zomba (Zomba), Masuku & Mikundi (Mangochi).

HOT FOOD DISTRIBUTION

We distributed ~180,000 hot meals to provide a lifeline in terms of basic nutrition to those who are malnourished and under privileged.

FOOD PACKS

With the pandemic effecting all walks of life, 7200 food packs were distributed to needy families across rural areas in Malawi.

DISTRIBUTING MEAT

Meat is considered a luxury item for the needy families we support across Malawi. At the time of the muslim festival of Eid, we distributed fresh meat packs to ensure 158 families could celebrate the occasion with a good feast.

Rohingya Refugee Projects

HOT FOOD DISTRIBUTION

Everyone needs a hot meal. This provides a lifeline in terms of basic nutrition to those who are malnourished and under privileged. Throughout the year, we provided ~84,600 hot meals to children, women and vulnerable adults.

FOOD PACK

With the pandemic effecting all walks of life, food packs were distributed to 400 of the most needy families in the refugee camps

ROHINGYA HOMES

With no immediate plans for repatriation home, it was important that families were provided with a safe habitat. We provided 200 families with homes, all equipped with blankets, lighting and solar energy.

DISTRIBUTING MEAT

At the time of the muslim festival of Eid, we distributed fresh meat packs to ensure 42 families could celebrate the occasion with a good feast.

TARA WELLS

We built 2 tara wells to benefit 100 families in the Rohingya camps where access to water was difficult

MEDICAL CAMP

We sponsored a medical facility for two months providing free consultations and treatments for common conditions that were prevalent in the camps along with free eye treatments

HYGIENE PACKS

3000 women and girls were provided with hygiene and sanitary products.

Bangladesh Projects

FOOD PACKS

DROP OF COMPASSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 28TH FEBRUARY 2021

OBJECTIVES AND ACTIVITIES

With the pandemic effecting all walks of life, food packs were distributed to 1822 families in most needy areas across Bangladesh

HOT FOOD DISTRIBUTION

Everyone needs a hot meal. This provides a lifeline in terms of basic nutrition to those who are malnourished and under privileged. Throughout the year, we provided ~18000 hot meals to children, women and vulnerable adults.

HAND PUMPS IN BANGLADESH

We built 66 handpumps in Bangladesh benefitting close to 2000 people

West Bengal Projects

STORM AMPHAN DEVASTATION

Houses were destroyed and roofs blown off which left thousands homeless. The orphanage in West Bengal was used as shelter for those impacted despite also having damage to the upper floor and severe damage to the roof and toilet/wash facilities. Drop of Compassion arranged for the roof and wash facilities to be fixed, provided daily food and 600+ food packs with a month's supply to the impacted villagers.

WEST BENGAL ORPHANS

Every child has the right to be loved and nurtured and orphans are no exception. We continue to sponsor 340 orphan girls by providing them with housing, food, education and welfare.

DISTRIBUTING MEAT

At the time of the muslim festival of Eid, we distributed fresh meat packs to ensure 135 families could celebrate the occasion with a good feast.

Yemen Projects

YEMEN FOOD PACKS

Yemen continues to experience a humanitarian crisis and remains the poorest of Arab nations. 800 food parcels were distributed amongst the poor, supporting approximately 4800 people.

YEMEN BREAD FACTORY

We provided bread to 5000 people daily for 9 months (12 bread sticks in a pack)

YEMEN SOLAR HYBRID TUBEWELL

We built 3 Water Pumps. These will provide clean water to approximately 7,500 people.

DISTRIBUTING MEAT

At the time of the muslim festival of Eid, we distributed fresh meat packs to ensure 88 families could celebrate the occasion with a good feast.

Public benefit

The Trustees have given due consideration to the Charity Commission's published guidance on the Public Benefit Requirement.

Volunteers

We have a small number of volunteers who assist on an ad-hoc basis mainly during the month of Ramadhan for pledge days and fundraising activities.

DROP OF COMPASSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 28TH FEBRUARY 2021

STRATEGIC REPORT

Achievement and performance

MALAWI

Drop of compassion remains committed to providing long term, sustainable solutions in Malawi. The country remains amongst the poorest in the world with an ongoing need for relief support. Our projects in the current year were delivered against key focus areas including Water, health, education and sustainability. Despite the pandemic, we were still able to deliver scale projects benefitting thousands of people. These included 20 irrigation schemes which not only alleviate the initial need of access to clean water but a means to earn a sustainable income through crop yields. It is also the charities intention to expand on our existing portfolio of community hubs which benefit from a number of our projects in a single location and have proven successful in create thriving communities.

ROHINGYA

Drop of compassion have continued to provide essential relief to the Rohingya refugees that fled the war in Myanmar into Bangladesh. With no immediate plans for repatriation, the charity intends to continue supporting with housing shelters and basic necessities including food and medical care. This will ensure that those already suffering from being displaced from their home are not left neglected with the additional worry of survival without essentials.

WEST BENGAL

Drop of Compassion identified a need to support 340 orphan/children girls whose family couldn't provide for them. We took on the responsibility of the upkeep of these children to facilitate in their welfare, education and social development. Those children who have completed their education are then provided further training to then teach within the institute or supported in moving to further their careers or aspirations. We remain committed to the continued support of the orphanage running costs whilst also exploring how the building can be improved with better facilities and living standards,

YEMEN

The ongoing humanitarian crisis in Yemen where they remain the poorest of Arab nations supported our decision to provide emergency relief to those in need. In the short term, we plan on continuing with our projects to provide water and food relief to those in need. There is currently no long term strategy to continue to work in Yemen.

Financial review

Financial position

Overall, the charity is in a healthy position as demonstrated by our accounts for the period in concern. This is mainly due to effective cost control, which ensures our running costs are kept to an acceptable level.

During the year the charity raised £1,053,432 (2020: £456,615) in direct donations from the general public to carry out the programmes mentioned above. During the year £1,012,091 (2020: £421,475) from the restricted funds were expensed for specific projects.

The charity continues to work closely with a number of partner organisations in providing aid to the needy and, most of the above expenditure was spent with these partner organisations.

A small amount raised with no restrictions in addition to the income tax recoverable from Gift Aid, continue to provide the charity with sufficient funds to carry out its charitable objectives as well as the administration of the charity.

DROP OF COMPASSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 28TH FEBRUARY 2021

STRATEGIC REPORT

Financial review

Reserves policy

We aim to utilise the funds within a year of receiving them. Reserves are held for long term projects and for responding to emergencies and disasters.

The unrestricted funds the charity holds is to ensure that it has sufficient reserves to cover the costs of managing and administering the charity for the following year. At the end of each financial year the Trustees critically appraise this level and transfer any excess to where it is most needed in terms of aid.

The Trustees consider it prudent that the reserves should be sufficient for the charity's use. The Trustees have approved that all unrestricted reserves will be utilised in helping the charity achieve its objectives.

Going concern

Currently no concerns about the charity continuing as a going concern.

Principal risks and uncertainties

The principal financial risks and uncertainties that the charity can face is reduction in donations from key donors as this is the significant portion of the charity's funding. The charity has raised awareness of its activities and sends out advertising material of the work it does in order to attract more donations. This has been successful as the amount of donations have remained consistent.

Future plans

The charity is looking at the options in which it can increase donations from various individuals

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The organisation is a charitable company limited by guarantee, incorporated on 7 February 2013. The company was established under a Memorandum of Association which the objects and powers of the charitable company and its governed under its Articles of Association.

Charity constitution

Private Limited Company by guarantee.

Recruitment and appointment of new trustees

All trustees are involved in any selection process that takes place and a vote amongst the trustees is conducted to appoint any positions within the organisation.

Organisational structure

The board of Trustees of the charity are responsible for the charity's strategic direction. The board of Trustees meet on a termly basis to discuss the activities of the charity.

The board of trustees are supported through the aid of volunteers who manage the daily running of the charity.

DROP OF COMPASSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 28TH FEBRUARY 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Drop Of Compassion for the purposes of company law) 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) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

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 that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

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.

AUDITORS

The auditors, Watergates Ltd (Statutory Auditor), will be proposed for re-appointment at the forthcoming Annual General Meeting.

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 30th November 2021 and signed on the board's behalf by:

Mr M Y Patel - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF DROP OF COMPASSION

Opinion

We have audited the financial statements of Drop Of Compassion (the 'charitable company') for the year ended 28th February 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position, the 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 28th February 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

In connection with our audit of the financial statements, 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 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
DROP OF COMPASSION**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the trustees 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 require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
DROP OF COMPASSION**

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

The extent to which the audit was considered capable of detecting irregularities including fraud

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 directors and other management, and from our commercial knowledge and experience of the sector, we also considered the nature of the charity's industry and its control environment;
- we focused on laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006 and taxation legislation; as well as laws and regulations which do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or avoid a material penalty. These included GDPR and health & 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 and testing of the key internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations, as well as substantive procedures.

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; assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and investigated the rationale behind significant or unusual transactions.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
DROP OF COMPASSION**

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;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

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 Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

for and on behalf of Watergates Ltd (Statutory Auditor)
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
109 Coleman Road
Leicester
Leicestershire
LE5 4LE

30th November 2021

DROP OF COMPASSION

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 28TH FEBRUARY 2021**

	Notes	Unrestricted fund £	Restricted funds £	28/2/21 Total funds £	28/2/20 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	81,030	1,053,432	1,134,462	545,227
EXPENDITURE ON					
Raising funds	3	2,066	-	2,066	7,821
Charitable activities					
Donations	4	29,420	982,671	1,012,091	421,475
Other		10,274	-	10,274	5,145
Total		41,760	982,671	1,024,431	434,441
NET INCOME		39,270	70,761	110,031	110,786
Transfers between funds	13	3,511	(3,511)	-	-
Net movement in funds		42,781	67,250	110,031	110,786
RECONCILIATION OF FUNDS					
Total funds brought forward		91,832	265,199	357,031	246,245
TOTAL FUNDS CARRIED FORWARD		134,613	332,449	467,062	357,031

The notes on page 0 form part of these financial statements

DROP OF COMPASSION
STATEMENT OF FINANCIAL POSITION
28TH FEBRUARY 2021

	Notes	Unrestricted fund £	Restricted funds £	28/2/21 Total funds £	28/2/20 Total funds £
CURRENT ASSETS					
Debtors	10	49,000	-	49,000	83,842
Cash at bank		89,214	332,448	421,662	284,545
		<u>138,214</u>	<u>332,448</u>	<u>470,662</u>	<u>368,387</u>
CREDITORS					
Amounts falling due within one year	11	(3,600)	-	(3,600)	(11,356)
		<u>134,614</u>	<u>332,448</u>	<u>467,062</u>	<u>357,031</u>
NET CURRENT ASSETS					
		<u>134,614</u>	<u>332,448</u>	<u>467,062</u>	<u>357,031</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>134,614</u>	<u>332,448</u>	<u>467,062</u>	<u>357,031</u>
NET ASSETS		<u>134,614</u>	<u>332,448</u>	<u>467,062</u>	<u>357,031</u>
FUNDS	13				
Unrestricted funds				134,614	91,832
Restricted funds				332,448	265,199
TOTAL FUNDS				<u>467,062</u>	<u>357,031</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 28th February 2021.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

The financial statements were approved by the Board of Trustees and authorised for issue on 30th November 2021 and were signed on its behalf by:

The notes on page 0 form part of these financial statements

DROP OF COMPASSION
STATEMENT OF FINANCIAL POSITION - continued
28TH FEBRUARY 2021

Mr M Y Patel - Trustee

The notes on page 0 form part of these financial statements

DROP OF COMPASSION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 28TH FEBRUARY 2021

	Notes	28/2/21 £	28/2/20 £
Cash flows from operating activities			
Cash generated from operations	1	<u>146,473</u>	<u>24,917</u>
Net cash provided by operating activities		<u>146,473</u>	<u>24,917</u>
 Change in cash and cash equivalents in the reporting period		 146,473	 24,917
Cash and cash equivalents at the beginning of the reporting period	2	<u>275,189</u>	<u>250,272</u>
 Cash and cash equivalents at the end of the reporting period	2	 <u><u>421,662</u></u>	 <u><u>275,189</u></u>

The notes on page 0 form part of these financial statements

DROP OF COMPASSION

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 28TH FEBRUARY 2021

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	28/2/21 £	28/2/20 £
Net income for the reporting period (as per the Statement of Financial Activities)	110,031	110,786
Adjustments for:		
Decrease/(increase) in debtors	34,842	(83,842)
Increase/(decrease) in creditors	1,600	(2,027)
Net cash provided by operations	<u>146,473</u>	<u>24,917</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	28/2/21 £	28/2/20 £
Notice deposits (less than 3 months)	421,662	284,545
Overdrafts included in bank loans and overdrafts falling due within one year	-	(9,356)
Total cash and cash equivalents	<u>421,662</u>	<u>275,189</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 29.2.20 £	Cash flow £	At 28.2.21 £
Net cash			
Cash at bank	284,545	137,117	421,662
Bank overdraft	(9,356)	9,356	-
	<u>275,189</u>	<u>146,473</u>	<u>421,662</u>
Total	<u>275,189</u>	<u>146,473</u>	<u>421,662</u>

The notes on page 0 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28TH FEBRUARY 2021**

1. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The Charity meets the definition of a public entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The functional currency of the charity is considered to be pounds sterling because that is the currency of the primary economic environment in which the Charity operates. The financial statements are also presented in pounds sterling. The amounts in the financial statements are presented to the nearest £1, unless otherwise stated.

The preparation of the financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the charity's accounting policies. There are no significant areas requiring material judgements, estimates or assumptions.

INCOME

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Donations and legacies: This comprises all incoming resources from donations collected directly or by volunteers and income from fundraising events during the year. Gift Aid tax recoverable under the Gift Aid Scheme is recognised where there is an entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Where a claim for repayment of income tax has been or will be made, such income is included in the debtors' amount if still not received by the year end.

The value of services provided by volunteers is difficult to put a monetary value on and therefore has not been included in accordance with the Charities SORP (FRS102).

EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure is classified under the following activity headings:

DROP OF COMPASSION

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 28TH FEBRUARY 2021

1. ACCOUNTING POLICIES - continued

EXPENDITURE

Charitable activities: Costs associated with the provision of emergency relief, development and longer term rehabilitation programmes as elaborated on in the Trustees' Report. These include both direct charitable expenditure, grants payable and support costs relating to these activities. Grants payable to other organisations for relief projects are included in the SOFA when approved by the trustees and agreed with the other organisation.

Support costs: Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs for a single activity are allocated to the particular activity where the cost relates directly to that activity. However, Support costs that represent the support functions of management, finance, human resources, IT and support departments attributable to the management of the Charity's assets, are allocated in proportion to the type of charitable activity during the period.

Governance costs: These are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities. Governance support costs are allocated on the basis of support activities provided on clearly interpreted governance matters.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

TAXATION

The charity is exempt from corporation tax on its charitable activities.

FUND ACCOUNTING

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

2. DONATIONS AND LEGACIES

	28/2/21	28/2/20
	£	£
Donations	1,134,462	461,385
Gift aid	-	83,842
	<u>1,134,462</u>	<u>545,227</u>

The charity benefits greatly from the involvement and enthusiastic support of its many volunteers. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

DROP OF COMPASSION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2021**

3. RAISING FUNDS

RAISING DONATIONS AND LEGACIES

	28/2/21	28/2/20
	£	£
Advertising and PR	2,066	7,821
	<u><u> </u></u>	<u><u> </u></u>

4. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (see note 6) £
Donations	1,012,091
	<u><u> </u></u>

5. DIRECT COSTS OF CHARITABLE ACTIVITIES

28/2/21	28/2/20
£	£
<u><u> </u></u>	<u><u> </u></u>

6. GRANTS PAYABLE

	28/2/21	28/2/20
	£	£
Donations	1,012,091	421,475
	<u><u> </u></u>	<u><u> </u></u>

The total grants paid to institutions during the year was as follows:

	28/2/21	28/2/20
	£	£
Various relief and support programmes	1,012,091	371,475
	<u><u> </u></u>	<u><u> </u></u>

DROP OF COMPASSION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2021**

7. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Other resources expended	<u>5,858</u>	<u>1,316</u>	<u>3,100</u>	<u>10,274</u>

Support costs, included in the above, are as follows:

	28/2/21 Other resources expended £	28/2/20 Total activities £
Telephone	124	368
Sundries	2,017	336
Software	2,457	1,407
Consultancy	1,260	-
Bank charges	1,316	1,034
Accountancy and legal fees	3,100	2,000
	<u>10,274</u>	<u>5,145</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 28th February 2021 nor for the year ended 28th February 2020.

TRUSTEES' EXPENSES

There were no trustees' expenses paid for the year ended 28th February 2021 nor for the year ended 28th February 2020.

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	88,612	456,615	545,227
EXPENDITURE ON			
Raising funds	7,821	-	7,821
Charitable activities			
Donations	-	421,475	421,475
Other	5,145	-	5,145
Total	<u>12,966</u>	<u>421,475</u>	<u>434,441</u>
NET INCOME	<u>75,646</u>	<u>35,140</u>	<u>110,786</u>

DROP OF COMPASSION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2021**

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Total funds £
Transfers between funds	(230,059)	230,059	-
Net movement in funds	(154,413)	265,199	110,786
RECONCILIATION OF FUNDS			
Total funds brought forward	246,245	-	246,245
TOTAL FUNDS CARRIED FORWARD	<u>91,832</u>	<u>265,199</u>	<u>357,031</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	28/2/21 £	28/2/20 £
Prepayments and accrued income	<u>49,000</u>	<u>83,842</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	28/2/21 £	28/2/20 £
Bank loans and overdrafts (see note 12)	-	9,356
Accruals and deferred income	<u>3,600</u>	<u>2,000</u>
	<u>3,600</u>	<u>11,356</u>

12. LOANS

An analysis of the maturity of loans is given below:

	28/2/21 £	28/2/20 £
Amounts falling due within one year on demand:		
Bank overdrafts	<u>-</u>	<u>9,356</u>

DROP OF COMPASSION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2021**

13. MOVEMENT IN FUNDS

	At 29.2.20 £	Net movement in funds £	Transfers between funds £	At 28.2.21 £
Unrestricted funds				
General fund	91,832	39,271	3,511	134,614
Restricted funds				
Malawi - Borehole	(964)	-	964	-
Malawi - Build a Home	2,949	-	(2,949)	-
Malawi - Build a Masjid	(4,572)	-	4,572	-
Malawi - Honey Farming	200	-	(200)	-
Malawi Floods	120	-	(120)	-
Malawi - Classroom Block Malawi	211	-	(211)	-
Malawi - Nursery Malawi	(1,320)	-	1,320	-
Malawi - Health Clinic	558	-	(558)	-
Malawi - Goat Project	75	-	(75)	-
Malawi - Water Irrigation	316	-	(316)	-
Malawi - Water Wheel	25,694	-	(25,694)	-
Malawi - Planting Fruit Trees	302	-	(302)	-
Rohingya Homes	856	-	(856)	-
Rohingya Masjid	(2,500)	-	2,500	-
Rohingya hot food/Iftar	15,230	-	(15,230)	-
Rohingya - Most Needy	64,047	-	(64,047)	-
Rohingya - Tara Wells	660	-	(660)	-
West Bengal - Girls Education Centre	3,409	-	(3,409)	-
West Bengal Orphanage	31,122	-	(31,122)	-
Yemen - Most Needy	609	-	(609)	-
Yemen Bread Factory	3,216	-	(3,216)	-
Fidya/Kaffarah	105	-	(105)	-
Most Needy - Sadaqah	3,511	-	(3,511)	-
Most Needy - Zakah	121,365	-	(121,365)	-
Feeding	-	41,987	15,807	57,794
Orphans and children in need	-	4,750	33,211	37,961
Education	-	2,173	-	2,173
Water	-	11,187	25,706	36,893
Medical and healthcare	-	(678)	678	-
Development	-	4,478	(51)	4,427
Most needy restricted	-	6,863	186,337	193,200
	<u>265,199</u>	<u>70,760</u>	<u>(3,511)</u>	<u>332,448</u>
TOTAL FUNDS	<u><u>357,031</u></u>	<u><u>110,031</u></u>	<u><u>-</u></u>	<u><u>467,062</u></u>

DROP OF COMPASSION

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2021

13. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	81,030	(41,759)	39,271
Restricted funds			
Yemen - Most Needy	1	(1)	-
Feeding	141,348	(99,361)	41,987
Orphans and children in need	278,250	(273,500)	4,750
Education	4,173	(2,000)	2,173
Water	231,181	(219,994)	11,187
Medical and healthcare	41,441	(42,119)	(678)
Community	27,328	(27,328)	-
Development	110,755	(106,277)	4,478
Most needy restricted	218,955	(212,092)	6,863
	<u>1,053,432</u>	<u>(982,672)</u>	<u>70,760</u>
TOTAL FUNDS	<u><u>1,134,462</u></u>	<u><u>(1,024,431)</u></u>	<u><u>110,031</u></u>

DROP OF COMPASSION

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2021

13. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.3.19 £	Net movement in funds £	Transfers between funds £	At 28.2.20 £
Unrestricted funds				
General fund	246,245	75,646	(230,059)	91,832
Restricted funds				
Malawi - Borehole	-	(1,459)	495	(964)
Malawi - Build a Home	-	2,949	-	2,949
Malawi - Build a Masjid	-	(5,521)	949	(4,572)
Malawi - Honey Farming	-	200	-	200
Malawi Floods	-	120	-	120
Malawi - Maternity	-	(5,852)	5,852	-
Malawi - Classroom Block Malawi	-	-	211	211
Malawi - Nursery Malawi	-	(1,320)	-	(1,320)
Malawi - Health Clinic	-	83	475	558
Malawi - Goat Project	-	75	-	75
Malawi - Water Irrigation	-	(329)	645	316
Malawi - Water Wheel	-	25,694	-	25,694
Malawi - Planting Fruit Trees	-	302	-	302
Rohingya Homes	-	15,793	(14,937)	856
Rohingya Masjid	-	-	(2,500)	(2,500)
Rohingya hot food/Iftar	-	1,402	13,828	15,230
Rohingya - Most Needy	-	(7,846)	71,893	64,047
Rohingya - Tara Wells	-	660	-	660
West Bengal Extension	-	(7,708)	7,708	-
West Bengal - Girls Education Centre	-	(3,026)	6,435	3,409
West Bengal Orphanage	-	3,530	27,592	31,122
Yemen - Most Needy	-	609	-	609
Yemen Bread Factory	-	3,216	-	3,216
Fidya/Kaffarah	-	105	-	105
Most Needy - Sadaqah	-	(13,570)	17,081	3,511
Most Needy - Zakah	-	27,033	94,332	121,365
	-	35,140	230,059	265,199
TOTAL FUNDS	246,245	110,786	-	357,031

DROP OF COMPASSION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2021**

13. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	88,612	(12,966)	75,646
Restricted funds			
Malawi - Borehole	13,664	(15,123)	(1,459)
Malawi - Build a Home	2,949	-	2,949
Malawi - Build a Masjid	34,479	(40,000)	(5,521)
Malawi - Honey Farming	200	-	200
Malawi Floods	13,014	(12,894)	120
Malawi Iftar	13,850	(13,850)	-
Malawi - MASIYAP FOOD DISTRIBUTION	1,200	(1,200)	-
Malawi - Mikundi iftaar hampers	5,000	(5,000)	-
Malawi - Mikundi school teachers feeding	300	(300)	-
Malawi - Mikundi school teachers	700	(700)	-
Malawi - Mikundi children feeding	5,000	(5,000)	-
Malawi - Maternity	5,596	(11,448)	(5,852)
Malawi - Classroom Block Malawi	1,800	(1,800)	-
Malawi - Educate a Leader	2,075	(2,075)	-
Malawi - Nursery Malawi	680	(2,000)	(1,320)
Malawi - Health Clinic	23,435	(23,352)	83
Malawi - Goat Project	945	(870)	75
Malawi - Water Irrigation	11,829	(12,158)	(329)
Malawi - Water Wheel	25,694	-	25,694
Malawi - Planting Fruit Trees	302	-	302
Malawi - School Feeding programme	2,968	(2,968)	-
Malawi - Most Needy Malawi - Sadaqah	291	(291)	-
Malawi - Most Needy Malawi - Zakah	5,220	(5,220)	-
Rohingya Homes	83,495	(67,702)	15,793
Rohingya hot food/Iftar	32,902	(31,500)	1,402
Rohingya - Most Needy	17,502	(25,348)	(7,846)
Rohingya - Tara Wells	660	-	660
West Bengal Extension	-	(7,708)	(7,708)
West Bengal - Girls Education Centre	4,266	(7,292)	(3,026)
West Bengal Orphanage	38,530	(35,000)	3,530
Yemen - Most Needy	8,388	(7,779)	609
Yemen Bread Factory	12,438	(9,222)	3,216
Sadaqatul Fitr	2,000	(2,000)	-
Fidya/Kaffarah	355	(250)	105
Most Needy - Sadaqah	17,168	(30,738)	(13,570)
Most Needy - Zakah	67,720	(40,687)	27,033
	456,615	(421,475)	35,140
TOTAL FUNDS	545,227	(434,441)	110,786

DROP OF COMPASSION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2021**

13. MOVEMENT IN FUNDS - continued

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14. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 28th February 2021.