

**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

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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**

	Notes	Unrestricted fund £	Restricted funds £	28/2/22 Total funds £	28/2/21 Total funds £
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.

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	<u>7,103</u>	<u>2,066</u>

4. CHARITABLE ACTIVITIES COSTS

		Grant funding of activities (see note 6)
		£
Donations		<u>838,501</u>

5. DIRECT COSTS OF CHARITABLE ACTIVITIES

28/2/22	28/2/21
£	£

6. GRANTS PAYABLE

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

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

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

7. SUPPORT COSTS

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

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 Other resources expended £	28/2/21 Total activities £
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 fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	81,030	1,053,432	1,134,462
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	42,781	67,250	110,031
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>958,183</u>	<u>(853,634)</u>	<u>104,549</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.