

Company Registered Number: 3933420
Charity Registered Number: 1081384

CHAIN OF HOPE
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31ST MARCH 2022



**CHAIN OF HOPE
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**CHAIN OF HOPE
CHAIN OF HOPE TRUSTEES REPORT
FOR THE YEAR ENDING 31ST MARCH 2022**

The Trustees are pleased to present their report, together with the financial statements, for the year ending 31 March 2022. The financial statements comply with current statutory requirements including the special provisions relating to companies subject to the small companies regime within part 15 of the Companies Act 2006, the memorandum and Articles of Association and the Statement of Recommended Practice 2015 — Accounting and Reporting by Charities (FRS 102).

LEGAL AND ADMINISTRATIVE SUMMARY

Nature of governing instrument

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

President

Professor Sir Magdi Yacoub OM FRS

Vice President

Professor Marc de Leval (deceased 26 June 2022)

Honorary Vice Presidents

Countess Noemi Marone Cinzano

Mrs Sherine Sawiris

Mrs Dina Nassif

Trustees and Directors

Dr Gavin Wright – Chairman

Professor Victor Tsang – Vice Chair

Mr Jason Edel – Legal Trustee (appointed 16 December 2021)

Mr Jonathan Danos MBE

Professor Vibeke Hjortdal

Dr Alan Magee

Ms Maura O’Callaghan (appointed 28 February 2022)

Mrs Louise Perry – Treasurer

Professor Sir Magdi Yacoub OM FRS

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

Chief Executive Officer - Miss Emma Scanlan

Registered Offices

Chain of Hope

Royal Brompton Hospital

South Parade

Sydney Street

**CHAIN OF HOPE
CHAIN OF HOPE TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDING 31ST MARCH 2022**

LEGAL AND ADMINISTRATIVE SUMMARY (CONTINUED)

Child Protection & Safeguarding Advisor

Mrs Mo O'Reilly

Celebrity Ambassadors

Ms Alexandra Burke

Mr Omid Djalili

Mr Chris Eubank Jnr

Mr Rupert Everett

Ms Kimberley Garner

Mrs Fiona Hawthorne

Ms Ulrika Johnson

Ms Felicity Kendal

Mr Colin Salmon

Charity Bankers

Lloyds TSB

Kings Road

Chelsea

London SW3

NatWest Bank plc

183b Kings Road

Chelsea

London

SW3 5EB

Auditors

Moore (South) LLP

Chartered Accountants

Priory House

Sydenham Road

Guildford

GU1 3RX

Legal Advisors

Russell-Cooke LLP

2 Putney Hill

London

SW15 6AB

Seddons

5 Portman Square

London W1H 6NT

CHAIN OF HOPE
CHAIN OF HOPE TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDING 31ST MARCH 2022

CHARITY OBJECTS

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

PUBLIC BENEFIT

The trustees confirm that the target beneficiary group is within Public Benefit as the services are ultimately aimed at any patients who do not have access to healthcare for free in the countries they are based.

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

MISSION STATEMENT

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

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

OBJECTIVES AND ACTIVITIES

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

The charity has 4 main activities:

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

Immediate success is measured by the number of missions organised and the number of children treated in a reporting period. Long term impact is measured by how many cases and of what complexity the 'local' teams whom we support around the world have conducted.

**CHAIN OF HOPE
CHAIN OF HOPE TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDING 31st MARCH 2022**

ACHIEVEMENTS AND PERFORMANCE

The following is our annual comparison of actual activities against objectives set at the beginning of the financial year.

Breakdown of Activity During the Financial Year, Compared to Objectives set in 2021:

During the year, Chain of Hope staff worked hard with its partners to find ways to continue to reach children during the pandemic and the charity carried out, and provided the essential equipment for, 349 cardiac procedures for children and young adults.

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

Ethiopia: Our goals for the year were to provide vital supplies for the local team at the Ethiopia Cardiac Centre to treat 30 cases and to conduct two volunteer missions to help the local team with more complex cases.

A total of 22 cardiac procedures were conducted on children as a result of our provision of consumable equipment. Due to the continued pandemic and political situation in Ethiopia we were unable to conduct any volunteer missions.

Uganda: Our goals for the year were to provide consumables for the cardiology team at Uganda Heart Institute to conduct 24 procedures and to conduct a volunteer mission to help the local team with interventional catheterisation cases.

We achieved the first goal by partnering with Rotary Foundation. We contributed \$20,000 which was 50% matched by Rotary Foundation, increasing our contribution to \$30,000. This partnership aims to support the treatment of 30 children in total by the end of the grant and, at 31 March 2022, four of these 30 children had already undergone treatment. The volunteer mission to Uganda was not possible as a result of the pandemic.

Refugee project: Our goal for the year was to conduct three missions to Jordan to treat refugees. Chain of Hope partnered to support four missions to Jordan during the financial year. Two of these were conducted in partnership with Riley Children's Hospital and Gift of Life Amman and two missions were in partnership with Gift of Life International. The four missions resulted in the treatment of 37 children who did not have access to healthcare.

Dominican Republic: Our goal for the year was to partner with Gift of Life International to support one mission to the Dominican Republic. We surpassed this objective and supported two missions which carried out 44 procedures.

Rwanda: Our goal for the year was to continue to support the development of the Rwanda Cardiac Centre. The construction of this centre has continued and we have funded the flights of the volunteer architect who has been overseeing the development of this project. The current expectation is that the centre will open in 2024.

Jamaica: our goals for the year were to restart surgical and catheter activity at the Jamaica Heart Centre by sending a minimum of two missions to Jamaica and to send consumables for the team to perform local operations.

We achieved this, carrying out a total of 19 procedures during these missions and we supplied consumables for 40 local operations.

We also mobilised an emergency team during one of the pandemic 'spikes' to treat a new born baby who was too unwell to wait for a mission or to be transferred through the ICRP programme. This brought the total number of procedures we conducted on Jamaican patients for the financial year to 20.

**CHAIN OF HOPE
CHAIN OF HOPE TRUSTEES REPORT (CONTINUED)
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Sustainability in Jamaica: Our goal for the year was to support the funding of the Cardiac Centre Manager to ensure the continued activity of the local cardiac programme, to facilitate the arrival of overseas healthcare staff to conduct more procedures on children with heart disease and to develop the programme. This objective was achieved with the recruitment of Mrs Nola Philpotts Brown by Chain of Hope Jamaica.

Aswan: Our goal for this year was to continue our support of operations at the Aswan Heart Centre with the supply of consumables and equipment.

We shipped £167k of consumables and equipment, necessary for the centre to continue its surgeries on children. Our support has helped over 125 patients during this financial year.

International Child Referral Programme: Our goal for the year was to transfer 36 patients for treatment in a specialist centre. Due to the pandemic we did not achieve this number but 22 patients were operated on successfully.

Kosovo

Chain of Hope reached further children during the financial year by partnering with Gift of Life International to treat 34 children in Kosovo.

Governance: Our goal was to continue diversifying our trustee board. We achieved this by appointing two new trustees during this financial year with different skill sets. Jason Edel, who was appointed in December 2021, is a lawyer. Ms Maura O'Callaghan joined the board in February 2022 as its 'safeguarding lead'.

Our second goal was to create a rolling programme of updating essential policies. A governance review has been conducted by the charity's lawyers, Russell Cooke and much follow up work has been done. The policies reviewed and updated during the year include those on safeguarding, Conflicts of Interest, Trustees Code of Conduct together with a suite of operational and HR policies.

Fundraising:

The past year has remained an uncertain environment in which to fundraise, however we managed to generate over £1,137k during the year thanks mainly to the generosity of our loyal major donors.

We were particularly successful in gaining support for our challenge events which raised £75k and we are extremely grateful to the 12 runners who raised this.

- a) Our main goal was to revive the annual gala by holding a live event in November 2021 with a virtual element. Unfortunately we had to cancel the live event due to the arrival of the Omicron variant but the virtual part went ahead with the launch of an appeal. This raised over £500k (see fundraising and marketing).
- b) We aimed to increase our funding from trusts and foundations. We did this by dedicating a member of staff specifically to this and we raised £78k during the year.
- c) We aimed to increase our regular giving by 25% and we managed to achieve slightly over 25% increase in regular giving through our appeals.

Grant Giving

The charity gives grants where this is a good way of achieving its objectives by providing grant funding to organisations with purposes and aims similar to our own charity aims. We utilise grant giving agreements which incorporate stringent conditions on the use of funds or resources and these agreements stipulate reporting requirements to ensure that the grantee uses the funds for the correct charitable purposes.

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We also contribute to Rotary Foundation grants. This year we contributed to six Rotary Foundation grants. These were to help refugees in Jordan, children in Kosovo, training missions in Dominican Republic and to support the local team in Uganda by providing supplies. When we contribute to Rotary Foundation grants, our contribution is 50% matched by Rotary Foundation, which maximises our impact to beneficiaries.

We also made four grants to support Chain of Hope Jamaica's Cardiac Centre manager.

Future Plans for 2022/23

As we come out of the pandemic and global travel restrictions are lifted our objectives for 2022/23 are to start to increase capacity to resume our operation levels to the pre pandemic level. This will require re-building our resources and manpower. The Charity has been evaluating the cost effectiveness of its operations and activities post pandemic to ensure we are maximising our impact.

Objectives for the year 2022/23

Ethiopia:

- We aim to provide vital supplies for the local team at the Ethiopia Cardiac Centre to treat 30 cases.
- We aim to send 2 volunteer mission teams to help the local team with more complex cases.

Uganda:

- We aim to provide consumables and devices for 20 procedures to be conducted locally
- We aim to provide one volunteer medical team visit to the catheter lab

Refugee project:

- We aim to conduct three full missions to Jordan to treat refugee patients from countries such as Syria, Iraq and Palestinian Territories

Dominican Republic:

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

Jamaica:

- We aim to provide eight supplementary volunteer teams to treat a minimum of 60 patients

Aswan:

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

ICRP:

- We aim to transfer 30 patients for treatment using the specialist centres in Aswan and Barcelona

Fundraising:

- We aim to hold our Annual Gala Ball with a target revenue of £1.5 million
- We aim to increase donations from trusts and funds

Governance:

- We aim to roll out our safeguarding policy with all our partners
- We aim to roll out a new training and induction programme for volunteers, staff and Trustees

**CHAIN OF HOPE
TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDING 31st MARCH 2022**

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

The board of trustees is responsible for the governance and financial management of the charity. We hold quarterly board meetings and extra meetings where necessary during the year. Trustees decide and agree policy and approve a framework for the charity's delivery of activities. Day to day management is delegated to the Chief Executive Officer.

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

The trustees have made a commitment to diversify the board's expertise and two further trustees have been recruited over the last financial year. Jason Edel was recruited through external advertising and was formally appointed to be a trustee in November 2021. Jason Edel was recruited for his legal background as part of our skill diversification. Ms Maura O'Callaghan, joined us in February 2022. Maura is a senior cardiac intensive care nurse manager, based at Great Ormond Street Hospital for Sick Children and has been an active volunteer in the charity for 15 years and has served on the charity's Nursing Board for over 10 years. She is now the board's safeguarding lead.

Personnel

Remaining furloughed staff were brought back gradually as activity levels in their areas of operation increased.

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

Risk Committee

The Risk Committee is a sub-committee of the trustee board set up to assess the charity's risks, the best ways of mitigating them and monitoring progress on this. It is comprised of the CEO, the Director of Operations, the Treasurer, our legal Trustee and three other trustees, one surgeon, one cardiologist and one cardiac intensive care nurse manager. The Risk Committee review and update policies and recommend them to the trustees for approval. Material risks are considered on a rolling basis by the board. The Risk Committee also monitors potential serious incidents and provides a regular report on these to the board.

The Risk Committee have met bi-monthly during 2021/2022.

Finance Group

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

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

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

The Gala Ball Committee is chaired by Sherine Sawiris, together with Vice-Chairs Dina Roushdi, Maria Sukkar and Cherine Helmy. We are grateful for their leadership which has allowed fund-raising to continue successfully even during the pandemic.

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

The leadership of this committee provide the strategy each year on the content and entertainment for this event, which is known as one of the leading charity events in London. This raises a significant sum of much needed funding for children's heart treatment whilst also raising the profile of the charity.

Medical Committee

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

The Medical Committee meets monthly to review medical files of patients who are applying for medical treatment through Chain of Hope. Its remit is to advise the trustees on medical policy and oversee the smooth medical management of the charity's ICRP. This Committee was jointly chaired during this financial period by Professor Sir Shakeel Qureshi, Dr Alan Magee and Dr Rodney Franklin.

Nursing Committee

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

Management of the International Child Referral Scheme (MICRoS)

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

Host Family Approval Panel

Mo O'Reilly also chairs this independently recruited panel of professionals/advisors which review the charity's applications from prospective carers volunteering to care for a child and relative during his or her stay in the UK, before and after heart surgery. This process mirrors fostering practice guidelines and is in line with 'best practice'. Tom Narducci (Child Protection Specialist, formerly NSPCC) joined the panel in 2017. This group has not met during the pandemic due to operations in the UK being paused.

Ambassadors

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

CHAIN OF HOPE
CHAIN OF HOPE TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDING 31st MARCH 2022

Volunteers

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

Partners and Collaboration

Collaboration and coordination with other NGOs in the countries where we work is important to Chain of Hope. We work with partner hospitals around the world to help provide the highest quality care to children with heart disease as well as support NGOs and hospitals in the development of sustainable cardiac services.

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

Performance and Financial Position

In the year to 31st March 2022, total income amounted to £2.09m (2021: £2.00m), of which £1.32m (2021: £1.4m) was restricted in nature. The charity typically receives most of its income from donations, particularly at its annual gala ball. Due to the pandemic the charity was unable to hold a live event in the current year but £0.6 million was raised through an online appeal running from November 2021 to January 2022.

Gifts in kind amounting to £0.94m (2021: £0.32m) were recorded for the period. These largely relate to the value assigned to professional time and expertise and medical equipment donated by medical and healthcare professionals and medical institutions. They were higher than in 2021 due to more mission activity.

The charity incurred £2.12m of costs during the year (2021: £2.08m) including gifts in kind of £0.94m (2021: £0.32m).

The foreign exchange loss of £0.03m (2021: £0.08m) arose from US dollars held for operational purposes. The holding has reduced after the balance sheet date.

The charity finished the year in a strong financial position with cash of £2.78m (2021: £2.88m). The fundraising environment is expected to remain challenging in the following year although a gala ball is planned for November 2022. Cash reserves have been preserved during the pandemic. This continues to ensure liquidity and enables the charity to gradually increase its level of activity.

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

Reserves

At the end of the reporting period the charity had reserves of £2.63m (2021: £2.69m). The charity holds general reserves in case of unforeseen changes in income and expenditure. These are matched by liquid investments so that they can be drawn on quickly if necessary. The level of general reserve is reviewed annually by the trustees. They have decided to keep the level of general reserves at 31 March 2022 to £750k. This represents 8-9 months of expected unrestricted expenditure for the following year.

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

**CHAIN OF HOPE
CHAIN OF HOPE TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDING 31st MARCH 2022**

Risk Management

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

We expanded our risk committee to include two more trustees and we engaged our charity Lawyers Russell Cooke to help us with a governance review of the charity. The Risk Committee has been meeting bi monthly to review various policies and procedures as part of the governance review. Policies and procedures have been discussed at Risk Committee and then provided to the trustees for approval. Russell Cooke have provided regular advice and training at Trustee meetings on key policies.

Diversity, Equality & Inclusion

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

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

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

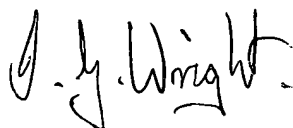
Chairman's Statement

The past financial year continued to be a challenge with travel restrictions affecting operations and uncertainty for planning with the advent of new strains of Covid-19. However, the charity continued to support many of its projects by sending equipment and consumables to support the teams we have trained as well as managing to mobilise our first full volunteer teams since the onset of the pandemic. We directly reached 349 patients who received cardiac procedures as a result of our work, most of whom were under the age of 18.

We were able to do this once again thanks to our loyal donor base who supported our efforts to continue to fundraise in an uncertain environment. Our main fundraising event sadly had to be cancelled due to the Omicron variant towards the end of 2021, however our Gala Committee supported our massive efforts to launch an appeal online instead of the event and a wonderful £595k was raised during this appeal. We also had amazing support from our challenge event participants raising a record amount through our places in the Royal Parks Half Marathon.

We owe thanks to our committees for their continued generosity and efforts as they work towards celebrating the charity's 25th Anniversary celebrations one year late on 11th November 2022.

A huge thank you to our committees, staff and volunteers for their hard work and efforts to help Chain of Hope through this pandemic and we are optimistic about what we can achieve in the coming year.



Gavin Wright

Chairman

31 October 2022

**CHAIN OF HOPE
CHAIN OF HOPE TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDING 31st MARCH 2022**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

CHAIN OF HOPE
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CHAIN OF HOPE
FOR THE YEAR ENDING 31ST MARCH 2022

Opinion

We have audited the financial statements of Chain of Hope (the 'charitable company') for the year ended 31st March 2022 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2022, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

CHAIN OF HOPE
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CHAIN OF HOPE (continued)
FOR THE YEAR ENDING 31ST MARCH 2022

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

CHAIN OF HOPE
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CHAIN OF HOPE (continued)
FOR THE YEAR ENDING 31ST MARCH 2022

Our approach was as follows:

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

To address the risk of fraud through management override we:

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

CHAIN OF HOPE
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CHAIN OF HOPE (continued)
FOR THE YEAR ENDING 31st MARCH 2022

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

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

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

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

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

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

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

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Moore (South) LLP

Moore (South) LLP
Statutory Auditor

Priory House
Pilgrims Court
Sydenham Road
Guildford
Surrey GU1 3RX

20 December 2022

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

CHAIN OF HOPE
Statement of financial activities
(Incorporating an income of expenditure account)
For the year ended 31st March 2022

				2022	2021
	Note	Unrestricted £	Restricted £	Total £	Total £
Income from:					
Donations and legacies	3	739,959	1,308,083	2,048,042	1,722,639
Other trading activities	4	9,822	16,500	26,322	135,385
Investment income	5	236	-	236	380
Other	6	11,587	-	11,587	142,396
Total income		761,604	1,324,583	2,086,187	2,000,800
Expenditure on:					
Raising funds	7	330,370	-	330,370	297,198
Charitable activities:					
Overseas Activities	7	-	1,309,371	1,309,371	1,414,519
International Child Referral Programme	7	-	476,109	476,109	364,118
Total expenditure		330,370	1,785,480	2,115,850	2,075,835
Net income / (expenditure) before other recognised gains and losses		431,234	(460,897)	(29,663)	(75,035)
Net gains / (losses)	8	(29,085)	-	(29,085)	(77,871)
Net Movement in funds		402,149	(460,897)	(58,748)	(152,906)
Transfer between funds		(124,983)	124,983	-	-
Reconciliation of funds:					
Total funds brought forward		1,360,029	1,325,416	2,685,445	2,838,351
Total funds carried forward		1,637,195	989,502	2,626,697	2,685,445

All of the above results are derived from continuing activities.

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

The notes on pages 19 - 30 form part of these financial statements.

CHAIN OF HOPE
Balance Sheet
As at 31st March 2022

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets:					
Tangible assets	11		8,039		11,337
Current assets:					
Debtors	12	183,422		106,881	
Cash at bank and in hand		<u>2,782,774</u>		<u>2,879,016</u>	
		2,966,196		2,985,897	
Liabilities:					
Creditors: amounts falling due within one year	13	<u>(347,538)</u>		<u>(311,789)</u>	
Net current assets			<u>2,618,658</u>		<u>2,674,108</u>
Total assets less current liabilities			<u>2,626,697</u>		<u>2,685,445</u>
Total net assets			<u>2,626,697</u>		<u>2,685,445</u>
Funds	16				
Restricted funds			989,502		1,325,416
Unrestricted funds:					
General funds		<u>1,637,195</u>		<u>1,360,029</u>	
Total unrestricted funds			<u>1,637,195</u>		<u>1,360,029</u>
Total funds			<u>2,626,697</u>		<u>2,685,445</u>

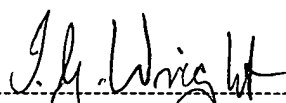
The financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

For the year ending 31st March 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. However, an audit is required in accordance with section 144 of the Charities Act 2011.

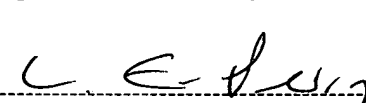
Directors' responsibilities:

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

Approved by the trustees on 31st October 2022 and signed on their behalf by:



Dr Ian Gavin Wright
Chairman



Mrs Louise Perry
Treasurer

Company Registration no. 3933420

The notes on pages 19 – 30 form part of the financial statements.

CHAIN OF HOPE
Statement of Cash Flows
For the year ended 31st March 2022

	Note	2022 £	2022 £	2021 £	2021 £
Net cash (used in) operating activities	17		(91,342)		(112,419)
Cash flows from investing activities:					
Interest received		236		380	
Payments to acquire fixed assets		(5,136)		(1,553)	
Net cash used in financing activities			<u>(4,900)</u>		<u>(1,173)</u>
Change in cash and cash equivalent in the year			(96,242)		(113,592)
Cash and cash equivalent at the beginning of the year			2,879,016		2,992,608
Cash and cash equivalent at the end of the year			<u>2,782,774</u>		<u>2,879,016</u>
Cash and cash equivalent consists of:					
Cash at bank and in hand			2,782,774		2,879,016
Cash and cash equivalent at 31st March 2022			<u><u>2,782,774</u></u>		<u><u>2,879,016</u></u>

CHAIN OF HOPE
Notes to The Financial Statements
For the year ended 31st March 2022

1) Accounting policies

a) Company Status

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

b) Basis for preparation

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

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

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

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

c) Going concern

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

d) Income

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

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

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

Legacies are accounted for at the earlier of:

- the date on which the charity is aware that probate has been granted.
- the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made; or
- when a distribution is made from the estate

Receipt of a legacy, in whole or part, is only considered probable when the amount can be measured reliably, and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

CHAIN OF HOPE
Notes to The Financial Statements
For the year ended 31st March 2022

1) Accounting policies (continued)

e) Donation of gifts, services and facilities

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

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

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

f) Interest receivable

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

g) Fund accounting

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

h) Expenditure and irrecoverable VAT

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

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

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

i) Allocation of support costs

Support costs are those functions that are essential to the work of the charity but do not directly relate to charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 7.

j) Operating leases

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

CHAIN OF HOPE
Notes to The Financial Statements
For the year ended 31st March 2022

1) Accounting policies (continued)

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

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

l) Debtors

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

m) Cash at bank and in hand

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

n) Creditors and provisions

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

o) Financial instruments

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

p) Pensions

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

q) Foreign currency

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

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

r) Taxation

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

CHAIN OF HOPE
Notes to The Financial Statements
For the year ended 31st March 2022

1) Accounting policies (continued)

s) Judgement and key sources of estimation uncertainty

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

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

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

2) Detailed comparatives for the statement of financial activities

	2021 Unrestricted £	2021 Restricted £	2021 Total £
Income from:			
Donations and legacies	324,699	1,397,940	1,722,639
Other trading activities	135,385	-	135,385
Investment income	380	-	380
Other income	142,396	-	142,396
Total income	<u>602,860</u>	<u>1,397,940</u>	<u>2,000,800</u>
Expenditure on:			
Raising funds	297,198	-	297,198
Overseas activities	-	1,414,519	1,414,519
International child referral programme	-	364,118	364,118
Total expenditure	<u>297,198</u>	<u>1,778,637</u>	<u>2,075,835</u>
Net income / (expenditure) before other recognised gains and losses	305,662	(380,697)	(75,035)
Other gains	(77,871)	-	(77,871)
Net movement in funds	<u>227,791</u>	<u>(380,697)</u>	<u>(152,906)</u>
Transfer between funds	(224,970)	224,970	-
Total funds brought forward	<u>1,357,208</u>	<u>1,481,143</u>	<u>2,838,351</u>
Total funds carried forward	<u><u>1,360,029</u></u>	<u><u>1,325,416</u></u>	<u><u>2,685,445</u></u>

CHAIN OF HOPE
Notes to The Financial Statements
For the year ended 31st March 2022

3) Income from donations and legacies

	Unrestricted	Restricted	2022 Total	2021 Total
	£	£	£	£
Gifts	737,658	373,373	1,111,031	1,401,461
Donated services	2,301	934,710	937,011	321,178
	<u>739,959</u>	<u>1,308,083</u>	<u>2,048,042</u>	<u>1,722,639</u>

4) Income from other trading activities

	Unrestricted	Restricted	2022 Total	2021 Total
	£	£	£	£
Fundraising Event	9,822	16,500	26,322	135,385

5) Income from investments

	Unrestricted	Restricted	2022 Total	2021 Total
	£	£	£	£
Bank interest	236	-	236	380

6) Other Income

	Unrestricted	Restricted	2022 Total	2021 Total
	£	£	£	£
Coronavirus Job Retention Scheme	11,587	-	11,587	142,396

7) Analysis of expenditure

	Basis of allocation	Cost of raising funds	Overseas activities	ICRP	2022 Total	2021 Total
		£	£	£	£	£
Staff costs	Direct / Headcount	174,443	76,975	118,069	369,487	406,847
Direct costs	Direct	84,317	1,140,822	324,012	1,549,151	742,689
Grants made	Direct	-	68,884	-	68,884	743,874
Support costs	Headcount	71,610	22,690	34,028	128,328	182,425
Total expenditure 2021/22		<u>330,370</u>	<u>1,309,371</u>	<u>476,109</u>	<u>2,115,850</u>	<u>2,075,835</u>
Total expenditure 2020/21		<u>297,198</u>	<u>1,414,519</u>	<u>364,118</u>	<u>2,075,835</u>	<u>4,835,517</u>

Of the total expenditure, £330,370 was made from unrestricted funds (2021: £297,198), £1,785,480 was made from restricted funds (2021: £1,778,637).

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

CHAIN OF HOPE
Notes to The Financial Statements
For the year ended 31st March 2022

7) Analysis of expenditure (continued)

Included within support costs are governance costs of £47,479 (2021: £31,002).

During the year ten grants were made by Chain of Hope. Four grants were made to Chain of Hope Jamaica, two for £7,500 towards the salary of the Fundraising Manager and £3,601 and £5,378 towards the salary of the Operations Coordinator. Six grants were made to Gift of Life International, £3,628 and £3,628 towards operations on children in Jordan, £18,138 towards a training visit to Dominican Republic, £4,558 to support the cost of treatments in Uganda, £7,255 to support the surgeries of children in Kosovo and £5,698 towards a training visit in Kosovo.

8) Net Income / (expenditure) for the year

This is stated after charging / (crediting):	2022	2021
	£	
Operating lease rentals:		
Property	-	19,592
Other equipment	328	287
Depreciation	8,434	12,341
Auditor's remuneration:		
Audit fees	10,200	9,940
Accountancy services	4,074	4,050
Foreign exchange losses / (gains)	<u>29,085</u>	<u>77,871</u>

9) Analysis of staff costs and employee benefits

	2022	2021
	£	£
Salaries and wages	308,001	363,637
Temporary Staff	22,673	-
Social security costs	29,011	32,673
Employer's contribution to defined contribution pension scheme	<u>9,801</u>	<u>10,539</u>
	<u>369,486</u>	<u>406,849</u>

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

	2022	2021
	No.	No.
£70,000 - £79,999	<u>1</u>	<u>-</u>

The total termination payments made to staff was £Nil (2021: £16,895).

CHAIN OF HOPE
Notes to The Financial Statements
For the year ended 31st March 2022

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

Staff Numbers

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

	2022	2021
	No.	No.
Raising funds	2	2
Charitable activities	4	6
Support	2	2
Governance	1	1
	<u>9</u>	<u>11</u>

10) Trustee and key management remuneration and expenses

The total amount of employee benefits including pension contributions of key management personnel was £73,258 (2021: £65,898).

The charity trustees were not paid nor did they receive any other benefits from employment with the Trust (2021: £Nil).

During the year 2 (2021: 2) Trustees made donations totalling £269 (2021: £1,370).

An Insurance policy in respect of Trustee Professional Indemnity has been taken out for the year ended 31 March 2022, at a cost of £672 (2021: £672).

11) Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Medical equipment £	Total £
Cost				
At the start of the year	31,182	32,669	144,714	208,565
Additions in year	-	1,314	3,823	5,137
Disposals	(3,365)	(5,912)	-	(9,277)
At the end of the year	<u>27,817</u>	<u>28,071</u>	<u>148,537</u>	<u>204,425</u>
Depreciation				
At the start of the year	30,092	28,883	138,253	197,228
Eliminated on disposal	(3,364)	(5,912)	-	(9,276)
Charge for the year	1,089	2,432	4,913	8,434
At the end of the year	<u>27,817</u>	<u>25,403</u>	<u>143,166</u>	<u>196,386</u>
Net book value				
As at 31st March 2022	<u>-</u>	<u>2,668</u>	<u>5,371</u>	<u>8,039</u>
As at 1st April 2021	<u>1,090</u>	<u>3,786</u>	<u>6,461</u>	<u>11,337</u>

All of the above assets are used for charitable purposes.

CHAIN OF HOPE
Notes to The Financial Statements
For the year ended 31st March 2022

12) Debtors

	2022	2021
	£	£
Other debtors	16,102	23,002
Prepayments	82,663	26,566
Accrued income	84,655	57,313
	<u>183,422</u>	<u>106,881</u>

13) Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	57,759	30,272
Grants payable	177,901	177,901
Other creditors	12,768	8,248
Accruals	89,763	85,818
Other tax and social security	9,347	9,550
	<u>347,538</u>	<u>311,789</u>

Included in other tax and social security is £1,948 (2021: £1,526) relating to the pension creditor at the year end.

14) Operating Leases

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

Less than 1 year	Property 31st March 2022 £	Property 31st March 2021 £	Equipment 31st March 2022 £	Equipment 31st March 2021 £
	<u>-</u>	<u>-</u>	<u>328</u>	<u>287</u>

CHAIN OF HOPE
Notes to The Financial Statements
For the year ended 31st March 2022

15) Movement in Funds

Donations made to Chain of Hope will in some circumstances have specific restrictions attached by the donor, whereby the funds can only be used for a specific purpose. In such circumstances the funds received are deemed to be restricted in nature. It is the practice of the charity to utilise restricted funds as the primary source of funding where possible, supplementing activities with unrestricted funds where restricted funds have been exhausted, to ensure maximum operational delivery and to ensure that the objectives of the charity are met.

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

Restricted funds in the year relate to:

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

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

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

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

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

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15) Movement in Funds (continued)

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

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

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

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

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

2020/21 Comparatives

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

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16) Analysis of net assets between funds

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

2020/21 Comparatives

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

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

	2022 £	2021 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(58,748)	(152,906)
Depreciation	8,434	12,341
Profit on disposal of fixed assets	-	(2)
Interest, rent and dividends from investments	(236)	(380)
(Increase)/Decrease in debtors	(76,541)	77,800
Increase/(Decrease) in creditors	35,749	(49,272)
Net cash provided by / (used in) operating activities	(91,342)	(112,419)

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18) Related party transactions

A daughter of one of the Trustees is employed part-time by the charity working on the International Child Referral Programme and use of charity funds in Rwanda. She is employed under the same terms and conditions as all other employees.

Chain of Hope is a corporate board member of Chain of Hope Jamaica. During the year Chain of Hope made grants to Chain of Hope Jamaica towards the salary costs of the Fundraising Manager and Operations Coordinator amounting to £23,979 (2020/21: £16,749). As at the year end Chain of Hope Jamaica owed £12,878 (2020/21: £nil) to the charity.

Professor Sir Magdi Yacoub is a Trustee of the Magdi Yacoub Heart Foundation and Chain of Hope. During the year payments were made to the Magdi Yacoub Heart Foundation amounting to £60,159 (2020/21: £54,227) in respect of the treatment of children under the International Child Referral Programme. £167,280 of consumable equipment was supplied to the Aswan Heart Centre (2020/21: £248,694).

Professor Sir Magdi Yacoub is Vice Chair and a Director of the Trustee Board of Directors of The Heart Care and Research Foundation Rwanda. During the year no grants were made to The Heart Care and Research Foundation Rwanda (2020/21: £677,901).

Professor Sir Magdi Yacoub is a Trustee of The Magdi Yacoub Institute. During the year no payments were made to The Magdi Yacoub Institute (2020/21: £1,921) for Rapid Covid Tests and Human IL-6 Quantikine Kits.