



MOORE Kingston Smith

Charity No: 1113868

Hand in Hand International
Report and Financial Statements
For the year ended 31 March 2020

Status	The organisation is a charity incorporated by trust deed in England on 18 th February 2006.
Charity Number	1113868
Registered office and operational address	5 th Floor, Caparo House, 101 – 103 Baker Street London W1U 6LN
Honorary officers	Bruce Grant (Chairman) Percy Barnevik (Honorary Chairman) John Barrett Madhvi Chanrai Carsten Jorgenson Lars Josefsson Paola Ugglä Stephanie Whittier
Senior officers	Dorothea Arndt – Chief Executive Nick Aveling – Head of communications Bob Cooke – Chief Finance Officer Amalia Johnsson – Head of Programmes
Auditors	MOORE Kingston Smith Chartered Accountants Registered Auditors Devonshire House 60 Goswell Road London EC1M 7AD

Hand in Hand International
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For the year ended 31 March 2020

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OBJECTIVES AND ACTIVITIES

Aims, issues you tackle, changes you seek to make

Women face barriers that men don't.

Right now, in communities across the developing world, roughly 400 million women and girls live below the poverty line of US \$1.90 a day, trapped by restrictive norms and attitudes that keep them from earning their own incomes, controlling their own assets and making decisions for themselves.

Inequality between men and women isn't distinct from poverty, in other words – it causes poverty. And for as long as barriers to women's empowerment are allowed to exist, people will go to bed hungry.

If a lack of women's economic empowerment is the problem, women's entrepreneurship is the solution. Empowering women entrepreneurs is a process – centred on business, vocational and life skills training – that helps women take control of their finances and speak up and be heard in the home. Ultimately it's not just about money but power, and making sure women have more of both – to seize their own destinies, make themselves heard and raise the next generation out of poverty.

At the very least, our programmes seek to recognise women's unique challenges. Sometimes that's as simple as scheduling training so it doesn't clash with childcare to create a double-burden. Other times, it means providing leadership skills training to help women speak up, overcome challenges and claim the right to make decisions.

But if addressing the barriers that limit women is good, there's one thing we like even better: breaking them. And to do that, we have to work with men. Across our network, nine out of 10 Hand in Hand members are women. The rest are their husbands, brothers and sons. Increasingly, we're working with men to change their ideas about women's contributions to the community and economy, and their own contributions at home. Because when the playing field is evened, women can flourish. And when women flourish, whole families, communities and economies win.

Strategies for achieving aims

We work in four key stages. First, we create Self-Help Groups where women support each other, save together and learn together. Next, we provide business and skills training that helps make the most of their potential. Third, we make sure they can get small loans and the tools they need to get started. Last, we help scale up their businesses, reaching bigger markets and stronger supply chains.

How we measure success

Although empowering women entrepreneurs is always our primary aim, Hand in Hand's programmes vary widely, from those focused exclusively on enterprises and jobs to those that also address issues including climate change, displacement and more. So it's no surprise we employ a wide range of metrics to measure our success.

At the most basic level, we measure outputs including the number of micro-businesses our members create, the number of people those businesses employ and the number of family members each income supports.

Work is also ongoing to roll out a set of four universal indicators – in line with the UN Sustainable Development Goals – that will allow us to measure and compare outcomes both within and across our projects, and benchmark against our peers.

These metrics are:

- **Income:** Increase in members' business profit.
- **Sustainability:** Members' enterprise survival rate one year on.
- **Resilience:** Proportion of members with the capacity to deal with a financial shock, without borrowing money, or selling assets.
- **Women's bargaining power:** proportion of women members who participate in household decision-making

Significant activities

Within the network, Hand in Hand International (the UK-registered charity) concentrates on five significant activities that support our longer-term job creation targets.

1. Raising funds
2. Demonstrating results
3. Sharing knowledge
4. Building capacity
5. Communicating effectively

These five areas complement each other. Results and knowledge gained from programme implementation and evaluation are critical for effective fundraising and supporting new and current partners. Capacity building is critical for effective programme management, delivery and expansion, as well as for financial control and safeguarding. And effective communication is important for fundraising, attracting new partners and advocating for effective job creation policies.

Our focus, of course, is on fundraising. But in order to make our fundraising more effective, we also work in other areas to fund and support our partners: programme evaluation, impact assessment and analysis that validate results and help us learn; disseminating results, lessons learned and other forms of knowledge; capacity building; and preparing more effective communication and marketing materials.

ACHIEVEMENTS AND PERFORMANCE

Network-wide, Hand in Hand created and enhanced 558,385 jobs in 2019-'20.

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

Fundraising

Secure at least one multi-year women's economic empowerment programme worth at least US \$1M

Although we surpassed our overall fundraising goal – by a significant margin – there remains some way to go on achieving this specific goal. In Kenya, we secured a multi-year programme worth US \$2.4 million from Visa, but business acceleration (not women's economic empowerment) lies at its core. In Tanzania, we secured a multi-year women's economic empowerment programme from Cartier Philanthropy geared towards changing women's and men's attitudes about women's productivity, but the budget falls short of US \$1 million.

Ensure 20 percent of our income is in GBP, 20 percent is in USD, and the rest is a mix of currencies.

With political uncertainty the new and ongoing norm, we anticipated significant currency fluctuations in 2019-'20. At the time, more than 75 percent of our income was in currencies other than GBP. To help spread the risk and continue to strengthen our donor base outside the UK, we targeted a diverse currency mix of 20 percent GBP, 20 percent USD and 60 percent from everywhere else. This target was met.

Programmes

Ensure half of our new programmes seek to adjust for the additional barriers that women face in running an enterprise; and the other half go even further in reducing those barriers.

This year, Hand in Hand committed to making sure at least half our new programmes were 'gender sensitive', meaning they included adjustments to compensate for the additional barriers women face when running an enterprise. At the same time, we committed to making sure the other half of our new programmes would be 'gender transformative', meaning they don't simply adjust for the constraints women currently face, but proactively seek to reduce them.

Although the goal was not entirely met, considerable progress was made: six out of 10 new proposals were gender sensitive, while another two were gender transformative. That means 80 percent of new proposals placed women's economic empowerment at their core, up from 10 percent at the start of the year. The full results are on our website.

Monitoring, Evaluation and Learning

Establish a set of indicators that clearly measure how competitive we are in improving families' income AND women's economic empowerment, across all major programmes.

In order to measure and compare outcomes across all Hand in Hand projects, as well as to benchmark against our peers, we established a set of four universal indicators in line with the UN Sustainable Development Goals. (See 'How we measure success' on page 3 for details.)

At the same time, we continued to work with independent evaluators to understand how our programmes are working, and how they could be working better. In November, 60 Decibels, – experts in measuring impact through a "customer feedback lens" – conducted a wide-ranging

survey of our members in Kenya who'd completed our training to find out what they were saying about our work.

PLANS FOR FUTURE PERIODS

Future, aims, objectives and activities planned

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

Fundraising

Secure US \$10 million in overall funding

This year we raised more than US \$6 million, exceeding a target that had already been revised upwards during a successful fundraising year. In 2020-'21 we want to keep that momentum going, working towards a target of US \$10 million raised overall (60 percent banked in '20-'21, 40 percent banked in subsequent years).

Secure at least US \$1 million for 2020-'21 and ideally a multi-year programme, in Afghanistan.

With some of the highest levels of poverty, insecurity, displacement and discrimination against women on Earth, Afghanistan remains Hand in Hand's most challenging operating context. That's why we want to make sure it receives special attention in 2020-'21 and secure at least US \$1 million for an (ideally) multi-year programme.

Secure £1.2 million in fully unrestricted funding and work towards full financial sustainability by increasing our core recovery from 8% to 15%.

Hand in Hand International's fundraising pays for our network partners' programmes. Our sophisticated monitoring and analysis, paired with our communications and programmes support, improves those programmes and makes that fundraising possible. And yet, in line with a trend that besets our whole sector, core and unrestricted funds are by far the most difficult to raise.

That's why going forward, programme budgets will include 15 percent recovery: 10 percent of this covers programme governance, MEL and financial control; and 5 percent goes to donor reporting and liaison.

Programmes

Ensure all proposals adjust for the barriers faced by women entrepreneurs – and secure four projects that go even further in reducing these barriers.

Based on lessons we learned during the course of this year, we've slightly adjusted our goal around women's economic empowerment. In 2020-'21, we'll aim to secure four gender transformative projects – and make all of our proposals gender sensitive at the very least.

Run two 'acceleration' programmes with a view to helping members grow their enterprises from earning US \$1.90 to US \$5 a day over time (the average GDP per capita in Kenya).

Hand in Hand has a 15-year history lifting bottom-of-the-pyramid, grassroots entrepreneurs above the global poverty line of US \$1.90 per person per day. Now, we want to help lift those members even further, scaling up their micro-enterprises to the US \$5-a-day level. At this level, micro-enterprises lift up the communities around them by creating employment opportunities and enhancing livelihoods in a multiplier effect.

Employer of choice

Act as an employer of choice and establish our reputation within the sector to retain and attract top talent.

Attracting and retaining top talent is important for any organisation. For an NGO like Hand in Hand, with aspirations to transform our programmes along with the lives of millions of members, it's a base requirement. This year, we established flexible working and best-in-class parental leave, with the result that 100 percent of employees are now somewhat or highly likely to recommend us as an employer (up from 64 percent at the start of the year). Going forward we'll leverage these policies, along with our growing reputation for programme innovation and success, to continue to establish ourselves as an employer of choice.

STRUCTURE AND GOVERNANCE

The Trustees present their report and the audited financial statements for the year ended 31 March 2020.

Governing Document

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

Recruitment and Appointment of Trustees

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

Induction and Training of New Trustees

New Trustees are considered on the basis of any gaps in the skills of the board. They are invited to meet the existing Trustees and senior members of staff and familiarise themselves with the work of Hand in Hand International. Further training is provided on an on-going basis in line with the identified needs of Trustees. Trustees sign a conflict of interest declaration each year.

Public Benefit statement

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

Risk Management

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The Trustees have assessed the major risks to which the charity is exposed, in particular those relating to operational areas of the charity, its investments and finances. A written risk register is in place and reviewed at every Board meeting. This lists the key risks the Charity faces and puts in place mitigating controls. The Trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

The Trustees have considered that funding is at risk in the expected coming economic slow-down following the COVID-19 pandemic.

As a mitigation, the organisation will continue to manage core costs tightly, with quarterly budget reviews, and adjustments if required. The organisation will also invest reserves in fundraising capacity now.

Investment Policy

Hand in Hand International receives income for ongoing projects over a three to five year time horizon and budgets to expend all anticipated income, except for retaining a prudent amount in reserves. It has no permanent endowment and provides for capital expenditure within its budget.

Consequently the Trustees do not consider it prudent to invest income for the longer term. Its policy is to retain funds as cash and place them on bank deposit at the best rates available.

Remuneration of Staff

In 2018 the Charity committed to implement the recommendations of the NCVO Inquiry on Executive Pay published in April 2014. As a result the Charity updated its remuneration policy and is pleased to make the disclosures below.

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

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

Senior Executive Remuneration

In relation to deciding remuneration of the Charity's senior executives, the Charity considers the potential impact of remuneration levels and structures of senior executives on the wider Charity workforce and will take account of the following additional principles:

To ensure that the charity can access the types of skills, experiences and competencies that it needs in its senior staff, the specific scope of these roles in the Charity and the link to pay. The nature of the wider employment offer made to senior employment where pay is part of a package that includes personal development, personal fulfilment and association with the public benefit delivered. The Charity recognises that it is, on occasion, possible to attract senior executives at a discount to public sector or private sector market rates.

In line with the recommendations of the NCVO Inquiry into Executive Remuneration published in April 2014, the charity has decided to disclose the remuneration of the Executive Team comprising the Chief Executive and the other executive directors of the Charity.

Remuneration for the year ended 31 March 2020 comprised salary and pension contributions.

Going Concern

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

The Trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. In particular the Trustees have considered the effect of Covid-19 on: the charity's ability to raise income and the possible level of additional support required by our beneficiaries. The Trustees have revised the original business plan and cash flow for 2021 and 2022 refocusing our fundraising activities and we have already had a healthy response from our network to calls for emergency funds to support our beneficiaries' worldwide and making overhead savings, particularly in travel and office expenditure. This revised plan indicates that the charity will continue to be able to meet its financial commitments through the year and for a period of at least one year from the date of approval of these financial statements.

REFERENCE AND ADMINISTRATIVE

Trustees

The Trustees in office during the year were:

Mr. Bruce Grant
Mr. Percy Barnevik
Mr. John Barrett
Dr Madhvi Chanrai
Mr. Carsten Jorgensen
Mr. Lars G Josefsson
Mrs. Paola Ugglä
Ms. Stephanie Whittier

FINANCIAL REVIEW

Income increased to £4.9m in the year to 31 March 2020. This is an increase of 11% over the previous year.

Our fundraising ratio has remained at 9.8%

Reserves Policy

Free unrestricted Reserves stand at £1,268,251 at 31 March 2020 (31 March 2019: £1,245,241)

The Trustees decided that reserves policy should be returned to 6 months core expenditure from an initial 12 months.

We have set aside designated reserves of £1,426,986 and this is to cover commitments made to existing partners for the years to come.

Restricted income and expenditure is shown in Note 14 to the accounts.

Fundraising

Hand in Hand does not employ third party fundraisers and does not fund raise with the general public.

We follow the Charity Commission's and the Institute of Fundraising's guidance on best practice in fundraising.

During the year there were no complaints about fundraising.

Trustees' Responsibilities in relation to the Financial Statements

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

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

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

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

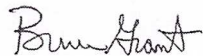
Day to day management of the charity is delegated to Dorothea Arndt and the senior management team.

Appointment of Auditors

MOORE Kingston Smith was reappointed as auditor during 2019/20 and have indicated their willingness to continue in office.

Approved by the Trustees and signed on their behalf by:

Hand in Hand International
Trustees' Report
For the year ended 31 March 2020



Bruce Grant

Chairman Hand in Hand International

26 January 2021

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HAND IN HAND INTERNATIONAL

Opinion

We have audited the financial statements of Hand in Hand International for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, and the Cash Flow Statement 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 FRS 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 charity's affairs as at 31 March 2020, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion: **January 2021**

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity 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 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a

going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP

Statutory auditor

28 January 2021
Devonshire House
60 Goswell Road
London
EC1M 7AD

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

Hand in Hand International

Statement of Financial Activities (incorporating an income and expenditure account)

For the year ended 31 March 2020

	Note	Restricted £	Unrestricted £	Designated £	2020 Total £	Restricted £	Unrestricted £	Designated £	2019 Total £
Income from:									
Donations and Grants	2	3,767,992	1,100,954	50,000	4,918,946	3,498,487	920,543	-	4,419,030
Interest		-	8,990	-	8,990	-	1,213	-	1,213
Total Income		3,767,992	1,109,944	50,000	4,927,936	3,498,487	921,576	-	4,420,243
Expenditure on:									
Raising funds		-	483,161	-	483,161	-	431,286	-	431,286
Charitable expenditure									
<i>Supporting people in Afghanistan</i>		1,017,461	202,202	-	1,219,663	638,355	146,901	-	785,256
<i>Supporting people in India</i>		118,295	-	-	118,295	32,658	-	-	32,658
<i>Supporting people in Kenya</i>		1,743,234	337,003	-	2,080,237	2,163,094	271,563	-	2,434,657
<i>Supporting people in Tanzania</i>		562,218	73,528	-	635,746	452,459	29,348	-	481,807
Total Expenditure	3	3,441,208	1,095,894	-	4,537,102	3,286,566	879,098	-	4,165,664
Net income for the year		326,784	14,050	50,000	390,834	211,921	42,658	-	254,579
Transfers between funds		(8,960)	8,960	-	-				
Funds brought forward		1,518,727	1,245,241	1,376,986	4,140,954	1,306,806	1,202,583	1,376,986	3,886,375
Funds Carried forward	14	1,836,551	1,268,251	1,426,986	4,531,788	1,518,277	1,245,241	1,376,986	4,140,954

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are shown in note 14 to the accounts.

The notes on pages 18 to 27 form part of these accounts.

Hand in Hand International

Balance Sheet

As at 31 March 2020

	Note	£	2020 £	2019 £
Fixed Assets				
Tangible Assets	7		37,138	40,973
Current Assets				
Long term debtors	8	883,453		860,979
Debtors	9	245,755		1,083,976
Cash at bank and in hand		3,604,249		2,202,539
		<u>4,733,457</u>		<u>4,147,494</u>
Creditors: Amounts due in one year	10	<u>238,807</u>		<u>47,513</u>
Net current assets			4,494,650	4,099,981
Net assets	11		<u><u>4,531,788</u></u>	<u><u>4,140,954</u></u>
Funds				
Restricted funds			1,836,551	1,518,727
Unrestricted funds:				
Designated fund			1,426,986	1,376,986
Unrestricted funds			1,268,251	1,245,241
Total funds	14		<u><u>4,531,788</u></u>	<u><u>4,140,954</u></u>

The notes on pages 18 to 27 form part of these accounts.

Authorised for issue and approved by the Trustees on 26 January 2021



Bruce Grant

Chairman

Cash flow statement

As at 31 March 2020

	2020	2019
	£	£
Cash flows from operating activities	390,834	254,579
Net income/(expenditure) for the year		
Adjustments for:		
Interest Received	(8,990)	(1,213)
Depreciation of fixed assets	10,753	10,615
Decrease/(Increase) in debtors	815,747	(894,049)
Increase/(Decrease) in creditors	191,294	(77,016)
Net cash (used in) operating activities	1,399,638	(707,084)
Cash flows from investing activities		
Purchase of tangible fixed assets	(6,918)	(3,096)
Interest received	8,990	1,213
Net cash from investing activities	2,072	(1,883)
Change in cash and cash equivalents in the year	1,401,710	(708,967)
Cash and cash equivalents at beginning of year	2,202,539	2,911,506
Cash and cash equivalents at end of the year	3,604,249	2,202,539

1. Accounting policies

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

Going concern

The trustees have assessed whether the use of going concern is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. In particular, the trustees have considered the charity's forecasts and projections and have taken account of pressures on income streams. After making enquiries, the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The Trustees have considered that funding is at risk in the expected coming economic slow-down following the COVID-19 pandemic.

As a mitigation, the organisation will continue to manage core costs tightly, with quarterly budget reviews, and adjustments if required. The organisation will also invest reserves in fundraising capacity now. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

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

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

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

The majority of costs are directly attributable to specific activities. Certain shared costs are apportioned to activities in furtherance of the objects of the charity and raising funds. Office costs and property related costs are apportioned on the proportion of floor area occupied by the activity. Staff costs and office costs are allocated in the same proportion as directly attributed staff costs. Costs incurred for the management of the charity's assets, organisational management and compliance with constitutional and statutory requirements are treated as support costs and allocated to charitable activities.

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

Office equipment	4 years
Leasehold improvements	10 years

Assets costing more than £500 are capitalised.

- f) Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.
- g) Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity.
- h) Designated funds are also unrestricted funds but have been designated by the trustees for a particular purpose and includes the net book value of tangible fixed assets used by the charity in its operational activities.
- i) Rental payments under operating leases are charged as expenditure as incurred over the term of the lease.
- j) The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charity to the fund. The charity has no liability under the scheme other than for the payment of those contributions.
- k) Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the net incoming resources for the year.

Critical accounting estimates and areas of judgement

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

Other financial instruments

- m) Cash and cash equivalents

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

- n) Debtors and Creditors

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

2. Donations

	Restricted £	Unrestricted £	Designated £	2020 Total £
General Donations	3,767,992	1,100,954	50,000	<u>4,918,946</u>
	<u>3,767,992</u>	<u>1,100,954</u>	<u>50,000</u>	<u>4,918,946</u>

Included within General Donations are Gifts-in-Kind of £2,598 (2019: £22,893) the corresponding expenditure is included in support costs (Note 4).

	Restricted £	Unrestricted £	Designated £	2019 Total £
General Donations	3,498,487	920,543	-	<u>4,419,030</u>
	<u>3,498,487</u>	<u>920,543</u>	<u>-</u>	<u>4,419,030</u>

3 Net Expenditure

The support costs of the charity were:

	2020 £	2019 £
Depreciation	10,753	10,615
Auditor's Remuneration:		
- Audit	11,547	8,840
Operating lease payments	86,640	86,640

Notes to the financial statements (Continued)

For the year ended 31 March 2020

4. Analysis of total expenditure

2020	Restricted direct costs £	Unrestricted direct costs £	Designated £	Support Costs Staff Costs £	Other Costs £	31 March 2020 £
Costs of raising funds						
Fundraising costs	-	-	-	475,085	8,076	483,161
Charitable Activities						
Supporting people in Afghanistan	1,017,461	-	-	91,222	110,980	1,219,663
Supporting people in India	118,295	-	-	-	-	118,295
Supporting people in Kenya	1,743,234	-	-	152,037	184,966	2,080,237
Supporting people in Tanzania	562,218	-	-	33,172	40,356	635,746
	<u>3,441,208</u>	<u>-</u>	<u>-</u>	<u>751,516</u>	<u>344,378</u>	<u>4,537,102</u>

2019	Restricted direct costs £	Unrestricted direct costs £	Designated £	Support Costs Staff Costs £	Other Costs £	31 March 2019 £
Costs of raising funds						
Fundraising costs	-	-	-	400,718	30,568	431,286
Charitable Activities						
Supporting people in Afghanistan	638,355	-	-	109,754	37,147	785,256
Supporting people in India	32,658	-	-	-	-	32,658
Supporting people in Kenya and Tanzania	2,615,553	-	-	222,833	78,078	2,915,464
	<u>3,286,566</u>	<u>-</u>	<u>-</u>	<u>733,305</u>	<u>145,793</u>	<u>4,165,664</u>

Notes to the financial statements (Continued)

For the year ended 31 March 2020

2020	All costs £	Fundraising £	Supporting people in Afghanistan £	Supporting people in Kenya	Supporting people Tanzania £
Analysis of Support Costs					
Building costs	124,237	-	40,999	68,331	14,907
Trademarks	2,903	-	958	1,596	349
Office costs	62,490	-	20,621	34,369	7,500
Audit fees	11,547	-	3,811	6,351	1,385
Legal and professional	1,102	-	364	606	132
Trustees' expenses	346	-	114	191	41
Staff and other consultancy	751,517	475,085	91,222	152,037	33,173
Travel costs	77,631	-	25,618	42,697	9,316
Fundraising costs	135,134	8,076	41,929	69,882	15,247
Foreign exchange gains	(71,013)	-	(23,434)	(39,057)	(8,522)
	1,095,894	483,161	202,202	337,003	73,528

2019	All costs £	Fundraising £	Supporting people in Afghanistan £	Supporting people in Kenya and Tanzania £
Analysis of Support Costs				
Building costs	123,993	-	40,918	83,075
Trademarks	7,726	-	2,550	5,176
Office costs	65,232	-	21,526	43,706
Audit fees	10,608	-	3,501	7,107
Legal and professional	601	-	198	403
Trustees' expenses	373	-	123	250
Staff and other consultancy	748,248	415,661	109,754	222,833
Travel costs	12,233	-	3,161	9,072
Fundraising costs	15,625	15,625	-	-
Foreign exchange losses	(105,541)	-	(34,830)	(70,711)
	879,098	431,286	146,901	300,911

5. Staff Costs and numbers

	2020	2019
	£	£
Salaries and wages	628,558	615,632
Social security costs	70,468	64,600
Pension contribution	40,586	29,801
	739,612	710,033

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

	2020	2019
	Nos	Nos
£70,000 - £80,000	1	-
£90,000 - £100,000	1	1

Pension costs in relation to these employees amounted to £10,374 (2018/19: 5,996).

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

	2020	2019
	Nos	Nos
Operational programmes	3.2	3.0
Fundraising and publicity	7.5	8.0
Management and administration	1.3	1.3
	12.0	12.3

In addition many volunteers assisted us with our work during the year.

Key management personnel include the Trustees, Chief Executives (and senior staff reporting directly to the Chief Executive). The total employee benefits of the Charity's key management personnel were £286,033 (2018/19: £171,944). A higher number of positions is included this year.

No trustee received any remuneration or other employment benefit during the financial year. (2018/19 – Nil).

£346 was reimbursed to 1 trustee for directly incurred travel expenses during 2019/20 (2018/19: 2 trustees, £373).

6. Taxation

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

7. Tangible fixed assets

	Leasehold improvements £	Office equipment £	Total £
Cost			
At 1 st April 2019	49,991	28,846	78,837
Additions in year	-	6,918	6,918
As at 31 March 2020	49,991	35,764	85,755
Depreciation			
At 1 st April 2019	14,997	22,867	37,864
Additions in year	4,999	5,754	10,753
As at 31 March 2020	19,996	28,621	48,617
Net book value: At 31 March 2020	29,995	7,143	37,138
At 31 March 2019	34,994	5,979	40,973

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

8. Long term debtors

	2020 £	2019 £
Rent Deposit	43,320	43,320
Enterprise incubation funds	840,133	817,659
	883,453	860,979

The Enterprise incubation funds have been made to Hand in Hand Eastern Africa to enable them to make micro-loans to beneficiaries.

They are public benefit entity concessionary loans that are not repayable on demand and were loaned to the beneficiary as part of the purposes of the charity's objects.

9. Debtors

	2020	2019
	£	£
Accrued Income	205,460	1,046,322
Other debtors	40	2,410
Prepayments	40,255	35,244
	245,755	1,083,976

Other than prepayments all debtors are financial instruments. These have been measured at present value.

10. Creditors: amounts due within one year

	2020	2019
	£	£
Deferred Income	200,000	-
Taxation and social security	20,695	19,726
Accruals	18,112	27,787
	238,807	47,513

Included within accruals is an amount of £- (2018/19 £725) relating to employee pensions.

All creditors are financial instruments. These have been measured at present value.

11. Analysis of net assets between funds

2019/2020	Restricted funds	Unrestricted funds	Designated Funds	Total funds
	£	£	£	£
Tangible fixed assets	-	37,138	-	37,138
Current assets	1,836,551	1,469,920	1,426,986	4,733,457
Current liabilities	-	(238,807)	-	(238,807)
Net assets as at 31 March 2020	1,836,551	1,268,251	1,426,986	4,531,788

2018/2019	Restricted funds	Unrestricted funds	Designated Funds	Total funds
	£	£	£	£
Tangible fixed assets	-	40,973	-	40,973
Current assets	1,518,727	1,251,781	1,376,986	4,147,494
Current liabilities	-	(47,513)	-	(47,513)
Net assets as at 31 March 2019	1,518,727	1,245,241	1,376,986	4,140,954

Notes to the financial statements (Continued)

For the year ended 31 March 2020

12. Related parties

The following transactions were made during the years:

Connected Charity	Nature of relationship	2020		2019		Nature of transactions
		Total transactions in year	Balance at year end	Total transactions in year	Balance at year end	
HiH Sweden	Sister organisation	1	-	-	-	Forwarding donations /sharing costs
HiH Kenya	Implementing Partner	11	-	11	-	Transfer for projects
HiH Tanzania	Implementing Partner	10	-	5	-	Transfer for projects
HiH Afghanistan	Implementing Partner	5	-	5	-	Transfer for projects
HiH India	Implementing Partner	-	-	1	-	Transfer for projects
Friends of Hand in Hand	Sister organisation	2	-	1	-	Donations

Amalia Johnsson is Chair of Hand in Hand Eastern Africa and is also a Trustee of Hand in Hand Afghanistan and an employee of Hand in Hand International.

Dorothea Arndt is a Trustee of Hand in Hand Eastern Africa.

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

Transactions with Trustees:

During the year 2019/20 4 trustees donated (2018/19: 2). These trustees donated a total of £19,560 (2018/19: £269,868).

In 2019/20 there were 1 donation from Companies related to trustees (2018/19 £Nil).

13. Obligations under operating leases

	31 March 2020		31 March 2019	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Within 1 year	79,420	-	79,420	-
Between 1-5 years	19,855	-	99,275	-
Between 5 and 10 years	-	-	-	-
	<u>99,275</u>	<u>-</u>	<u>178,695</u>	<u>-</u>

14. Movements in funds

2019/2020

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2020 £
Afghanistan	535,468	583,205	(1,017,461)	-	101,212
India	-	120,154	(118,295)	(1,859)	-
Kenya	633,600	2,400,961	(1,743,234)	(7,101)	1,284,226
Tanzania	349,659	663,672	(562,218)	-	451,113
	<u>1,518,727</u>	<u>3,767,992</u>	<u>(3,441,208)</u>	<u>(8,960)</u>	<u>1,836,551</u>
Unrestricted funds	1,245,241	1,109,944	(1,095,894)	8,960	1,268,251
Designated funds	1,376,986	50,000	-	-	1,426,986
	<u>4,140,954</u>	<u>4,927,936</u>	<u>(4,537,102)</u>	<u>-</u>	<u>4,531,788</u>

2018/2019

	Balance at 1 April 2018 £	Income £	Expenditure £	Balance at 31 March 2019 £
Afghanistan	98,498	1,075,325	(638,355)	535,468
India	32,658	-	(32,658)	-
Kenya	800,517	1,966,829	(2,133,746)	633,600
Tanzania	375,133	456,333	(481,807)	349,659
	<u>1,306,806</u>	<u>3,498,487</u>	<u>(3,286,566)</u>	<u>1,518,727</u>
Unrestricted funds	1,202,583	921,756	(879,098)	1,245,241
Designated funds	1,376,986	-	-	1,376,986
	<u>3,886,375</u>	<u>4,420,243</u>	<u>(4,165,644)</u>	<u>4,140,954</u>

More details of these reserves are given in the Trustees' Report.

Designated funds are funds set-aside for expansion into new projects in line with Hand in Hand Eastern Africa strategic plan.