

**Company Registered Number: 3933420**  
**Charity Registered Number: 1081384**

**CHAIN OF HOPE**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDING 31<sup>ST</sup> MARCH 2020**

**CHAIN OF HOPE  
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**CHAIN OF HOPE  
CHAIN OF HOPE TRUSTEES REPORT  
FOR THE YEAR ENDING 31<sup>st</sup> MARCH 2020**

**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 1995 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

**Honorary Vice Presidents**

Countess Noemi Marone Cinzano

Mrs Sherine Sawiris

Mrs Dina Nassif

Princess Chantal of Hanover

**Ambassadors**

Mr Stephen K Amos

Ms Alexandra Burke

Mr Omid Djalili

Mr Chris Eubank Jnr

Mr Rupert Everett

Ms Kimberley Garner

Mrs Fiona Hawthorne

Ms Ulrika Johnson

Ms Felicity Kendell

Mr Colin Salmon

Ms Konnie Huq

**Trustees**

Dr Gavin Wright – Chairman

Mr Noel O` Brien – Treasurer (resigned 11th November 2019)

Professor Marc de Leval (resigned 29th July 2020)

Dr Alan Magee

Professor Victor Tsang

Professor Sir Magdi Yacoub OM FRS

Mr Jonathan Danos MBE

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

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CHAIN OF HOPE TRUSTEES REPORT (CONTINUED)  
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**LEGAL AND ADMINISTRATIVE SUMMARY (CONTINUED)**

**Registered Office**

Chain of Hope  
South Parade C/O Royal Brompton Hospital  
Sydney Street  
London  
SW3 6NP

**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

**Solicitors**

Russell-Cooke Solicitors  
2 Putney Hill  
London  
SW15 6AB

**CHAIN OF HOPE  
CHAIN OF HOPE TRUSTEES REPORT (CONTINUED)  
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**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 are in the public health systems of the countries where Chain of Hope works.

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 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 the Chain of Hope for such treatments.**

It is estimated that 15 million children die or are crippled annually by potentially treatable or preventable cardiac diseases.

**OBJECTIVES AND ACTIVITIES**

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 the establishment of cardiac services and facilities in countries where they do not exist.

The charity has four main activities:

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

**CHAIN OF HOPE  
CHAIN OF HOPE TRUSTEES REPORT (CONTINUED)  
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**ACHIEVEMENTS AND PERFORMANCE**

**Summary of Activity in the financial year to 31<sup>st</sup> March 2020**

1. Over the last financial period increased its overall number of procedures conducted on children and young adults from 278 in the previous financial year to 335 in this financial year.
2. The number of missions increased from 18 to 23 overseas teams being mobilised and financed to conduct surgery and interventional catheters in the countries in which we work. These missions involved 108 interventional catheter procedures, 28 diagnostic procedures and 152 open heart surgeries.
3. All procedures have been carried out on children and young adults during overseas missions.
4. A further 47 procedures have been conducted during the year (compared with 50 in 2018/19) through flying 45 children and young adults and a parent or guardian to the UK or other specialist referral centres in the Chain of Hope network such as The Aswan Heart Centre and Barcelona Children's Hospital.
5. During this financial year the first ever biplane paediatric catheter lab was officially opened by the Minister of Health of Jamaica at the Bustamante Hospital for Children, the only specialist Children's Hospital in the Caribbean. A total of 46 catheter procedures were performed through Chain of Hope interventional and diagnostic training visits. These visits helped provide the local team with the much needed support to conduct diagnostic and curative interventional catheters to help treat and manage the waiting list of patients.

**International Child Referral Programme.**

During the last financial year, a total of 45 children were flown to one of our seven referral treatment centres around the world, for cardiac treatment. All procedures were funded by Chain of Hope together with the flight and living costs for the child and guardian overseas. Most of these children were treated through our agreements with the Aswan Heart Centre and the St Joan de Deu Children's Hospital in Barcelona. With the latter Chain of Hope signed an agreement in the previous financial year enabling 8 children to be treated in Barcelona. Unfortunately, our agreement with Al Jalila Children's Speciality Hospital in Dubai was put on hold during the year, decreasing the number of operating slots planned. Chain of Hope collaborated with the Gift of Life and Terre des Hommes in Lausanne to co fund a young patient from Kosovo. The hope is to continue further collaboration with Terre des Hommes in Switzerland after COVID-19. Chain of Hope opened a new collaboration with La Chaîne de L'Espoir and their CUOMO programme at the Hospital Fann in Dakar to treat the first patient from Gambia in Senegal.

Chain of Hope in the UK continued a successful recruitment drive for host families to look after the children and their guardians when they arrive to the UK.

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CHAIN OF HOPE TRUSTEES REPORT (CONTINUED)  
FOR THE YEAR ENDING 31<sup>st</sup> MARCH 2020**

**Development of Cardiac Services and Overseas Projects:**

**Kosovo:**

During the year Chain of Hope was delighted to be able to return to Pristina in Kosovo to help treat more children. We supported a mission led by teams from LA Children's Hospital and Gift of Life International. An incredible total of 26 children were operated during a weeklong mission.

**Ethiopia**

During the year we supported and funded three missions to the Ethiopian Cardiac Centre; one was led by Professor Victor Tsang from Great Ormond Street Hospital for Children in September 2019, another was led by Dr Jonathan Clague from the Royal Brompton Hospital who conducted 14 interventional catheter cases in October 2019 and for the third mission we supported the local surgeons by sending a intensive care team and supplying equipment for eight children to be operated on during October 2019.

Additionally, a screening mission was sent to the rural areas of Ethiopia outside of Addis funded by Chain of Hope, to help provide medical advice and opinions during these clinics in the regions of Mekele and Gonda.

**Jamaica**

As mentioned earlier, a biplane paediatric Catheter Lab for the Island was officially opened at the beginning of the financial year in April 2019 at Bustamante Hospital for Children. The formal opening of the Catheter Lab was celebrated with a ceremony led by the Minister of Health of Jamaica whilst a volunteer team, funded by Chain of Hope and led by John Thompson from Leeds General Infirmary Hospital, treated nine children who were waiting for treatment.

We continued these catheter training missions throughout the year, bringing the total to 46 procedures being performed on Jamaican patients.

In addition, Chain of Hope carried out supplementary 'missions' to help support local surgeon Dr Little and his team perform 44 surgical procedures on Jamaican children. This is part of a programme of supporting the local team to carry out procedures without the need for large overseas missions.

We also funded the Executive Director for the newly formed Cardiac unit during the first nine months of this financial year. The Executive Director resigned from the unit at the end of December 2019.

**Aswan**

Chain of Hope has continued to support the excellent work of the Aswan Heart Centre over the last year. Aswan Heart Centre is now run and funded by the Cairo based NGO, the Magdi Yacoub Heart Foundation which treats over 3000 patients per year.

We supported the Aswan Heart Centre with over £250,000 worth of vital equipment. We helped them with the continuous supply of cardioplegia, heart valves and multiple devices for curative interventional procedures.

**Uganda**

In 2019 we continued to support the Uganda Heart Institute. We funded Interventional Cardiologist Dr Alan Magee, to lead a mission team to perform 19 procedures with the local team on Ugandan children. Additionally, we supported a joint Chain of Hope/Rotary Grant which enabled the local team to perform a further 60 procedures on children.

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**Refugee Missions**

During this last financial year, we continued to conduct four humanitarian missions to treat over 50 refugees in Al Khalidi hospital in Jordan and Sidon hospital in Lebanon. These missions have been focusing on patients from Iraqi, Syria and Palestine.

Our missions are in partnership with Rotary Clubs in Jordan and Lebanon as well as 'Gift of Life Amman' and Gift of Life Lebanon. The number of procedures carried out during this financial year was 56 children.

**Tanzania**

Chain of Hope, as part of its objective to expand into a new geographical area, conducted its first ever mission to Tanzania in August 2018. We continued this training work with a second surgical mission in August 2019, led by volunteer surgeon, Ms Carin Van Doorn, head of Leeds General Infirmary Cardiac Service and worked alongside the local team at the Jakaya Kikwete Institute in Dar El Salaam to treat a total of eight patients through open heart surgery.

**Rwanda**

Over the course of the last year, Chain of Hope has participated in planning meetings for a new Cardiac Centre in the capital of Rwanda, Kigali. A Rwandan based charity, the Heart Care & Research Foundation Rwanda (HCRFR) was established in 2018 with the goal of creating a sustainable cardiac service and hospital in Rwanda. Professor Yacoub is a board member of HCRFR and has been the link between Chain of Hope and the developments of this centre.

Chain of Hope has been holding some restricted funds for some time to help build a Cardiac Hospital in the neighbouring country of Burundi. However, with the political turmoil within Burundi, the objective of creating a Cardiac Hospital in the region was re-focused to be based in Rwanda.

Approval was given by the Charity Commission for Chain of Hope to access those funds previously restricted for Burundi and utilise them for the Cardiac Centre in Rwanda.

**Future Plans**

Plans for the financial year of 2020/2021 were interrupted with the onset of the COVID-19 pandemic in March and the charity curtailed all of its major operations. Overseas missions and the transfer of children through our network of hospitals had to be cancelled.

At the time of lockdown, close to the end of the financial year, we had three children already in referral centres for surgeries. Lockdown meant that these children had extended stays, post operatively, and we were able to keep them safe from the risk of corona virus and returned them home to their own countries at the beginning of July 2020.

Since the cessation of medical and surgical missions, we have been reviewing our activities in order to continue to reach children in need of vital life-saving cardiac treatment. For example, we put in place grant agreements with two of our projects, Ethiopia and Uganda, to support them to continue with procedures to help save lives and we sent them the necessary consumables. These were shipped to Uganda and Ethiopia by the end of the financial year in lieu of sending an entire mission. Additionally, we supported the Aswan Heart Centre and the Jamaica Cardiac Centre with COVID-19 tests and PPE for their hospital staff to ensure they could continue to treat patients safely during the pandemic.

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**Future Plans (cont.)**

We continue to try to find ways to adapt our model to reach children in need and support our cardiac centres with which we work around the world during the pandemic to make sure they can still treat patients with life-threatening heart disease. We are preparing pathways post COVID-19 for transferring children between our referral centres as safely as possible in the pandemic. It is important we carry on treating children despite the pandemic risks or many will die from heart disease.

Future plans will include the following activity:

- Sending vital supplies and consumables.
- Sending PPE and COVID-19 tests for healthcare staff and patients.
- Sending equipment for sustainability of cardiac services.

**Financial and Fundraising implications of COVID-19**

The Financial and fundraising implications of COVID-19 for Chain of Hope are great as we have heavily relied on fundraising events, in particular our Annual Gala Ball which has had to be cancelled for 2020 due to the pandemic. This is a very significant loss of forecasted income and the charity has had to make considerable financial cuts which include staffing and operational costs.

During April to August, we furloughed 73% of our team. We are planning an online fundraiser in November. Overall, the fundraising landscape has changed dramatically with a lot of competition with charities raising money for the NHS or COVID-19 related appeals. We have been discussing with our fundraising committees on how best to raise funds in this very competitive and difficult climate in 2020/2021. At the beginning of lockdown we experienced initial success with running email fundraising campaigns which have raised in excess of £40,000 online. We plan to continue this into 2021 to increase our online fundraising.

The following form our main objectives as part of our future plans:

- To support six 'local' missions to treat children and young adults through the procurement and shipment of consumables for the Ethiopian Cardiac Centre in Addis Ababa.
- To support three local missions to treat children in Uganda through the procurement and shipment of vital cardiac devices and consumables to the Uganda Heart Institute.
- To support the sustainable development of the Uganda Heart Institute by partnering with a Rotary grant to supply hardware for the local team.

**Financial and Fundraising implications of COVID-19 (Continued)**

- To continue to provide, in 2021, a minimum of £250,000 worth of vital cardiac equipment to help save patients' lives with cardiac devices, heart valves and the cardioplegia for all cardiac surgeries to take place at the Aswan Heart Centre.
- To support the treatment of 40 refugee children either through funding the local surgeons in Lebanon and Jordan to treat refugee patients and by March 2021 to resume the refugee humanitarian missions.
- We aim to develop tailor made training courses online utilising our faculty of Chain of Hope nurses and doctors.
- ICRP – we aim to resume the transfer of children to our referral centres during 2020 by one every other month and increase that to one child per month by March 2021.
- Rwanda – we aim to support the development of a Cardiac Centre for Rwanda with funds already raised for this specific purpose.

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CHAIN OF HOPE TRUSTEES REPORT (CONTINUED)  
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**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. Board meetings are held quarterly. 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.

Our Treasurer, Noel O'Brien resigned during the financial year as he moved to work in Ireland and could no longer support in his role as Treasurer. The Board is actively recruiting a new Treasurer and hopes to complete this shortly. In the interim, a previous Treasurer has kindly volunteered to help.

**Personnel**

Our Senior Management Team has started to meet regularly with the CEO and the Chairman to improve communication between board and senior management as the charity structure grows.

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 a continual look at objectives occurs 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.

Since the onset of the COVID-19 pandemic, 73% of staff have gone on furlough leave and we have reduced the staff numbers by a third. Additionally, some members of staff have taken voluntary reductions in salary of 10% with the CEO taking the lead by reducing her salary by 20%.

Additionally, staff have been home working since mid-March with regular management meetings etc have taken place by Zoom.

**Quality Assurance and Missions Management Committee**

Professor Victor Tsang has taken over leadership of the Missions Management Committee. This Committee reviews individual mission outcomes, reviews data and screens new surgeons and physicians applying to join the Charity's missions to ensure membership is of the highest possible quality. It provides a forum in which lessons that the charity has learnt can be documented and systems and processes put in place to improve the future quality of service to our beneficiaries.

**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 Committee meets monthly to review medical files of patients who are applying for medical treatment through Chain of Hope. The Medical Committee's remit is to advise the Trustees on medical policy and oversee the smooth medical management of the charity's International Children Referral Programme. The Medical Committee was jointly chaired during this financial period by Professor Shakeel Qureshi and Dr Alan Magee.

**CHAIN OF HOPE  
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FOR THE YEAR ENDING 31<sup>st</sup> MARCH 2020**

**Nursing Committee**

The Nursing Committee's 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.

Since COVID-19 the Nursing Committee has been reviewing how nursing training and support can be delivered to our partner countries and projects via the internet.

**Management of the International Child Referral Scheme (MICRS)**

The MICRS group continued to meet monthly over the last financial year. MICRS is led by Mo O'Reilly, who has a strong background working in the adoption and fostering sector.

The focus of this group is to review issues arising within the International Child Referral Programme, 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.

MICRS monitors the individual child placements to ensure best practice.

**Host Family Approval Panel**

Mo O'Reilly also Chairs this independently recruited panel of professionals/advisors which reviews 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' and to scrutinise applications to become host families.

**Ambassadors**

Chain of Hope has a group of Ambassadors who can represent the charity at public events for fundraising and public relations purposes. Many of these attend the Gala Ball and other Chain of Hope events. We continue to recruit Celebrity Ambassadors who can raise the profile of the charity as well as funds where possible.

**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 the major donation of time and expertise to the charity is a huge component to all the work we carry out. Therefore, a large amount of time liaising with our volunteers is essential to the success of the charity. Volunteers represent a large part of the gifts in kind calculated in the accounts in terms of the actual charitable activity that is carried out.

Additionally, we owe an enormous debt to our fundraising volunteer committees who have helped us continue to raise the vital funds for our charitable work through our fundraising events and annual Gala Ball.

**CHAIN OF HOPE**  
**CHAIN OF HOPE TRUSTEES REPORT (CONTINUED)**  
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**Grant Agreements**

As part of our ongoing review of governance, we continue to actively put in place 'grant agreements' where an agreement is drawn up with our partners laying out our involvement and/or financial contribution towards a particular mission or project.

During this financial year we had five grant agreements for the five missions which we did in collaboration with Gift of Life and Rotary clubs around the world. Additionally, we signed an agreement for our contribution to the Uganda grant for equipment and local consumables, and we negotiated a grant agreement with the Ethiopia Cardiac Centre to provide them consumables for their local activity in March 2020.

**FUNDRAISING & MARKETING**

Our main fundraiser was once again the Annual Gala Ball, now in its 18<sup>th</sup> year. We managed to secure legendary entertainers and pop group 'Kool & the Gang' amongst other singers to entertain the guests. Celebrities and supporters helped raise an incredible £1.55 m (2019: £2.06 m) gross for the charity's work.

In addition to the Gala Ball, the charity also engaged in other fundraising activities including major donor fundraising, corporate fundraising, community and challenge events. In particular the challenge events raised over £43k (2019: £34k).

Community fundraising raised nearly £79k (2019: £77k) and this year's plans are to continue to increase community fundraising through schools and churches. A programme of research into Trusts and Foundations has also begun which a view to developing new income through different approaches during the year.

The fundraising team also continued with Corporate fundraising during the year, being the beneficiary of HR Owen, Bailie Gifford and Datacentre Dynamics. This raised £144k (2019: £174k) during the financial year.

An additional initiative was launched towards the end of the previous financial year to try to generate income from the hospitality sector. Restaurants, hotels and other business support by adding an 'optional' £1 to their customer's bill or invoice. Soho House was the first participant in the scheme which raised funds at one of their outlets during March 2019. We continued this scheme with the restaurant chain 'Aubaine' who raised £12k over the month of June in their 7 restaurants across London. This was due to be repeated in 2020 until the Pandemic caused the lockdown.

As with all fundraising this initiative was subject to compliance under the fundraising standards set out by the Fundraising Standards Board. Commercial participator agreements were drawn up and signed with all of the restaurants or suppliers where funds were raised on behalf of the Charity.

Chain of Hope is a member of the Fundraising Standards Board and complies with all fundraising regulations. We have received zero complaints during the financial year and we work with our Charity lawyers to ensure that we are complying with GDPR regulations in all our fundraising activity.

As previously mentioned, the charity has a child and vulnerable adult policy which is reviewed every three years together with independent professional advisors in this area.

**CHAIN OF HOPE  
CHAIN OF HOPE TRUSTEES REPORT (CONTINUED)  
FOR THE YEAR ENDING 31<sup>ST</sup> MARCH 2020**

**FINANCIAL REVIEW**

In the 12 month period to 31st March 2020, total income amounted to £4.26m (2019:£3.27m), of which £3.26m (2019: £3.28m) was restricted in nature, with £3.83m (2019: £3.79m) being spent in delivering the charity's activity. Receipts from the Gala Ball held in November 2019 continue to represent the largest revenue stream for the charity, amounting to £1.55m (2019: £2.06m) whilst increases in non-Gala Ball receipts were also noted year on year. Gifts in Kind amounting to £1.92m (2019: £1.48) were recorded for the period. These largely relate to the value assigned to professional time and expertise donated by medical and healthcare professionals, as well as medical institutions, in supporting the work undertaken by the charity.

The goodwill and continued support from leading Cardiac healthcare professionals across the globe, remains key to the charity's ability to deliver much needed charitable activities in the field of paediatric cardiac medicine, in line with its core values and operational strategy.

**RESERVES POLICY**

The Total Funds of the Charity at 31<sup>st</sup> March 2020 were £2.80m (2019 £3.37m). Of this, some £1.48m (2019 £0.93m) were Restricted to specific activities by donors. Included in this figure was £678k relating to projects in Burundi and Rwanda. As described earlier, the Charity Commission have given approval for the Burundi funds to be combined with those for the Rwanda project and the Trustees expect the monies to be expended during of the 2020/1 financial year.

Other Restricted Funds will be expended when the projects supported by the Charity require funding and when other activities can resume post COVID-19.

The Unrestricted Funds total £ 1.32m (2019 £2.44m). After providing for the General Reserve of £500k, the Trustees current forecast shows that there are sufficient funds to run the Charity for the foreseeable future even after the cancellation of the annual major fundraising event in November 2020.

The Trustees reviewed the Reserves Policy in 2019 and agreed to maintain the level of reserves at 31st March 2019 at £750k. The General Reserve is set to cover 6 months operating and staff costs plus some costs of the ICRP programme. Since the onset of the COVID-19 pandemic, the Trustees have reviewed this level of reserves and agreed to lower it to £500k. This reflects a reducing overhead structure as the Charity's activity levels reduce across all areas.

**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 charitable company's auditors are unaware and, 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.

**RISK MANAGEMENT**

As mentioned above the Charity has been looking at risk to the charity since the onset of COVID-19 at the beginning of 2020. The interruption to the Charity's activities has been severe as described earlier and operations have had to adapt to be able to still reach children in need of heart disease. The board is also looking at the future precautions within this current pandemic including looking at protecting medical teams going overseas as well as the patients we are striving to treat.

Over the years Trustees have continued to consider Chain of Hope's exposure to risk in general and have introduced necessary control mechanisms to minimise this exposure to include protection of medical volunteers, child protection, vulnerable adult protection, medical malpractice and other risks to the charity and its activities.

**CHAIN OF HOPE  
CHAIN OF HOPE TRUSTEES REPORT (CONTINUED)  
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**RISK MANAGEMENT (Continued)**

As with many charities, Chain of Hope has been dependent on voluntary fundraising, the success of which cannot be easily forecast and has also been a risk discussed by the Board. COVID-19 has caused a real risk to the loss of income to the charity with the inability to be able to hold the charity's annual fundraiser, the gala Ball. The board has discussed with the CEO the change in fundraising activities which will need to take place. Much of the fundraising will have to be conducted virtually during the pandemic and new skills have to be learnt in order for the charity to adapt how it will raise income during this time. Online marketing and events are a new zeitgeist in the charitable sector and Chain of Hope is on a steep learning curve to try to master this market and deliver a comparable high-end online event.

The Board are aware that the online events will not deliver the returns that the Annual Gala Ball has delivered over the last 17 years and the financial forecast has been amended accordingly with a much reduced income forecast.

As previously mentioned, the reserves have been reduced in order to release some unrestricted funds over the next year to assist the charity during this transition of both charitable activity and fundraising methods. The next twelve months will give Chain of Hope the opportunity to establish its new fundraising methods and means of communications. There is no doubt this will be a challenge but the silver lining is that online there is an opportunity to widen the charity's fundraising audience which has been a long term need.

**CONCLUSION**

Chain of Hope has seen continued success during the 2019/20 financial year, with increased activity in the numbers of patients treated, the development of infrastructure, education in target countries and importantly the support of local teams performing independently.

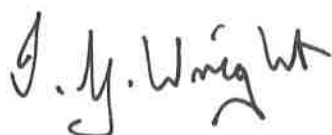
This was achieved on a stable income compared to the year before but was impacted by the arrival of the COVID-19 pandemic during the last month of the year.

The Pandemic has subsequently had an immense impact on our activity and fundraising. In response we have increased our support of local team activity with equipment, medications, advice and online education. Plans for a new Cardiac Centre in Rwanda proceed at pace.

Within the charity infrastructure, significant savings are being made with reduced office and staff costs, sadly including the loss of some employees. With income very significantly reduced, as with most charities at the time, we are working hard finding innovative ways of fundraising, whilst utilising reserves to fill the gap. The unpredictability of the COVID-19 pandemic makes demands on our modus operandi and innovative delivery is being successfully pursued.

The long-term future remains one of growth and progress in the face of enormous need.

Our supporters remain the bedrock on which this work will be achieved.



**Gavin Wright**

**Chairman**

19 October 2020

**CHAIN OF HOPE  
CHAIN OF HOPE TRUSTEES REPORT (CONTINUED)  
FOR THE YEAR ENDING 31<sup>st</sup> MARCH 2020**

**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 31<sup>st</sup> MARCH 2020**

**Opinion**

We have audited the financial statements of Chain of Hope (the 'charitable company') for the year ended 31st March 2020 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 2020, 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.

**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**

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 charitable company'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 trustees are responsible for the 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. 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.

**CHAIN OF HOPE**  
**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CHAIN OF HOPE (continued)**  
**FOR THE YEAR ENDING 31<sup>st</sup> MARCH 2020**

**Matters on which we are required to report by exception**

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

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

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 12, 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**

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 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an 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 charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Moore (South) LLP

Moore (South) LLP  
Statutory Auditor

Priory House  
Pilgrims Court  
Sydenham Road  
Guildford  
Surrey GU1 3RX

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

9 November 2020

**CHAIN OF HOPE**  
**Statement of financial activities**  
**(Incorporating an income of expenditure account)**  
**FOR THE YEAR ENDING 31<sup>st</sup> MARCH 2020**

	Note	Unrestricted £	Restricted £	2020 Total £	2019 Total £
<b>Income from:</b>					
Donations and legacies	3	613,004	3,262,751	3,875,755	3,523,127
Other trading activities	4	376,363	-	376,363	724,611
Investment income	5	10,974	-	10,974	21,593
<b>Total income</b>		<b>1,000,341</b>	<b>3,324,378</b>	<b>4,263,092</b>	<b>4,269,331</b>
<b>Expenditure on:</b>					
Raising funds	6	842,535	136,996	979,531	969,986
Charitable activities:					
Overseas Activities	6	74,635	2,516,653	2,591,288	2,443,658
International Child Referral Programme	6	87,076	1,177,622	1,264,698	1,346,487
<b>Total expenditure</b>		<b>1,004,246</b>	<b>3,831,271</b>	<b>4,835,517</b>	<b>4,760,131</b>
<b>Net expenditure before other recognised gains and losses</b>		<b>(3,905)</b>	<b>(568,520)</b>	<b>(572,425)</b>	<b>(490,800)</b>
Net gains	7	39,646	-	39,646	84,438
<b>Net Movement in funds</b>		<b>35,741</b>	<b>(568,520)</b>	<b>(532,779)</b>	<b>(406,362)</b>
<b>Transfer between funds</b>		<b>(1,120,248)</b>	<b>1,120,248</b>	<b>-</b>	
<b>Reconciliation of funds:</b>					
Total funds brought forward		2,441,715	929,415	3,371,130	3,777,492
<b>Total funds carried forward</b>		<b>1,357,208</b>	<b>1,481,143</b>	<b>2,838,351</b>	<b>3,371,130</b>

All of the above results are derived from continuing activities.  
There were no other recognised gains or losses other than those stated above.  
The attached notes on pages 19 - 31 form part of these financial statements.

**CHAIN OF HOPE**  
**Balance Sheet**  
**As at 31 March 2020**

	Note	2020 £	2020 £	2019 £	2019 £
<b>Fixed assets:</b>					
Tangible assets	10		22,123		39,823
<b>Current assets:</b>					
Debtors	11	184,681		366,001	
Cash at bank and in hand		<u>2,992,608</u>		<u>3,349,046</u>	
		3,177,289		3,715,047	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	12	<u>(361,061)</u>		<u>(383,740)</u>	
<b>Net current assets</b>			<u>2,816,228</u>		<u>3,331,307</u>
<b>Total assets</b>			<u>2,838,351</u>		<u>3,371,130</u>
<b>Total net assets / (liabilities)</b>			<u>2,838,351</u>		<u>3,371,130</u>
<b>Funds</b>	16				
Restricted funds			1,481,143		929,415
Unrestricted funds:					
General funds		<u>1,357,208</u>		<u>2,441,715</u>	
Total unrestricted funds			<u>1,357,208</u>		<u>2,441,715</u>
<b>Total funds</b>			<u>2,838,351</u>		<u>3,371,130</u>

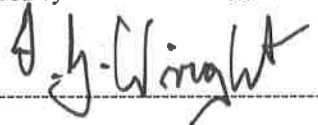
The financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

For the year ending 31st March 2020 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 19/10/2020 and signed on their behalf by:



Name  
Chairman  
Dr Ian Gavin Wright



Name  
Vice Chairman  
Professor Victor Tsang

Company Registration no. 3933420

The attached notes form part of the financial statements.

**CHAIN OF HOPE**  
**Statement of Cash Flows**  
**For the year ended 31<sup>st</sup> March 2020**

	Note	2020 £	2020 £	2019 £	2019 £
<b>Net cash (used in) operating activities</b>	<b>18</b>		(364,862)		(1,514,981)
<b>Cash flows from investing activities:</b>					
Interest received		10,974		21,593	
Payments to acquire fixed assets		(2,550)		(20,022)	
			8,424		1,571
Change in cash and cash equivalent in the year			(356,438)		(1,513,410)
Cash and cash equivalent at the beginning of the year			3,349,046		4,862,456
<b>Cash and cash equivalent at the end of the year.</b>			<b>2,992,608</b>		<b>3,349,046</b>
<b>Cash and cash equivalent consists of:</b>					
Cash at bank and in hand			2,992,608		3,349,046
Short term deposits			-		-
<b>Cash and cash equivalent at 31st March 2020</b>			<b>2,992,608</b>		<b>3,349,046</b>

**CHAIN OF HOPE**  
**Notes to The Financial Statements**  
**For the year ended 31<sup>st</sup> March 2020**

**1) Accounting policies**

**a) Company Status**

The company is a company listed by guarantee and has no share capital. 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**

Following the outbreak of COVID-19 in early 2020, the Charity's activities have subsequently been severely curtailed. Action has been taken to reduce the cost base to reflect both lower activity and an uncertain fundraising environment. A revised forecast has been prepared for the next 12 months and the directors have a reasonable expectation that the charity has adequate resources to continue into the foreseeable future. Therefore, the board continues to adopt the going concern basis in preparation of these accounts.

**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.

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 31<sup>st</sup> March 2020**

**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 assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Trusts artistic 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 6.

**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 31<sup>st</sup> March 2020**

**1) Accounting policies (continued)**

**k) Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £200. 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%

**1) Accounting policies (continued)**

**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 to 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.

**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 31<sup>st</sup> March 2020**

**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 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**

	2019 Unrestricted £	2019 Restricted £	2019 Total £
<b>Income from:</b>			
Donations and legacies	501,015	3,022,112	3,523,127
Other trading activities	724,611	-	724,611
Other income	21,593	-	21,593
<b>Total income</b>	<u>1,247,219</u>	<u>3,022,112</u>	<u>4,269,331</u>
<b>Expenditure on:</b>			
Raising funds	833,940	136,046	969,986
Overseas activities	79,844	2,363,814	2,443,658
International child referral programme	302,220	1,044,267	1,346,487
<b>Total expenditure</b>	<u>1,216,004</u>	<u>3,544,127</u>	<u>4,760,131</u>
<b>Net income / (expenditure) before other recognised gains and losses</b>	<b>31,215</b>	<b>(522,015)</b>	<b>(490,800)</b>
Other gains	84,438	-	84,438
<b>Net movement in funds</b>	<u>115,653</u>	<u>(522,015)</u>	<u>(406,362)</u>
Total funds brought forward	2,326,062	1,451,430	3,777,492
<b>Total funds carried forward</b>	<u><b>2,441,715</b></u>	<u><b>929,415</b></u>	<u><b>3,371,130</b></u>

**3) Income from donations and legacies**

	Unrestricted £	Restricted £	2020 Total £	2019 Total £
Gifts	612,599	1,337,929	1,950,528	2,036,476
Donated services	-	1,924,822	1,924,822	1,476,911
Legacies	405	-	405	9,740
	<u><b>613,004</b></u>	<u><b>3,262,751</b></u>	<u><b>3,875,755</b></u>	<u><b>3,523,127</b></u>

**CHAIN OF HOPE**  
**Notes to The Financial Statements**  
**For the year ended 31<sup>st</sup> March 2020**

**4) Income from other trading activities**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>2020 Total</b>	<b>2019 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fundraising Ball	376,363	-	376,363	719,309
Other fundraising activities	-	-	-	5,302
	<u>376,363</u>	<u>-</u>	<u>376,363</u>	<u>724,611</u>

**5) Income from investments**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>2020 Total</b>	<b>2019 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank interest	10,974	-	10,974	21,593
	<u>10,974</u>	<u>-</u>	<u>10,974</u>	<u>21,593</u>

**6) Analysis of expenditure**

	<b>Basis of allocation</b>	<b>Cost of raising funds</b>	<b>Overseas activities</b>	<b>ICRP</b>	<b>2020 Total</b>	<b>2019 Total</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Staff costs	Direct	224,775	194,372	226,199	645,346	635,928
Direct costs	Direct	650,238	2,224,450	933,978	3,803,666	3,791,265
Grants made	Direct	-	142,012	-	142,012	96,820
Grants written back	Direct	-	(61,627)	-	(61,627)	-
Support costs	Office	104,518	92,081	104,521	301,120	236,118
<b>Total expenditure 2019/20</b>		<u>979,531</u>	<u>2,591,288</u>	<u>1,264,698</u>	<u>4,835,517</u>	<u>4,760,131</u>
<b>Total expenditure 2018/19</b>		<u>969,986</u>	<u>2,443,658</u>	<u>1,346,487</u>	<u>4,760,131</u>	<u>4,543,300</u>

Of the total expenditure, £1,004,246 was unrestricted (2019: £1,216,004), £3,831,271 was restricted (2019: £3,544,127).

Where costs cannot be directly attributed to a particular activity, apportionment takes place using a percentage of staff time and the relevant overheads spent on that activity.

**CHAIN OF HOPE**  
**Notes to The Financial Statements**  
**For the year ended 31<sup>st</sup> March 2020**

**6) Analysis of expenditure (cont.)**

Included within support costs are governance costs of £62,879 (2019: £29,270)

In the year four grants were issued by Chain of Hope, the first being to Chain of Hope Jamaica funding the cost of the Chain of Hope Jamaica Executive Director £57,473, the second grant £16,666 was made to contribute to the Gift of Life Kosovo Mission and the third £41,051 was to contribute to the Healing Ugandan Hearts Project to increase capacity of their program and provide lifesaving cardiac care to Ugandan children. The fourth was made to the Cardiac Centre Ethiopia £26,822 to contribute to the needs of the Cardiac Centre to perform procedures outside of organised missions.

**7) Net Income / (expenditure) for the year**

This is stated after charging / (crediting):	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Operating lease rentals:		
Property	19,851	13,478
Other equipment	168	287
Depreciation	20,250	19,524
Auditor's remuneration:		
Audit fees	10,200	8,030
Accountancy services	9,036	2,940
Foreign exchange (gains) / losses	(39,646)	(84,438)

**8) Analysis of staff costs and employee benefits**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Salaries and wages	538,388	564,483
Temporary Staff	49,263	7,244
Social security costs	55,020	54,048
Employers NIC rebate	(12,000)	-
Employer's contribution to defined contribution pension schemes	14,675	10,153
	<b>645,346</b>	<b>635,928</b>

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

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
£70,000 - £79,999	1	1

**CHAIN OF HOPE**  
**Notes to The Financial Statements**  
**For the year ended 31<sup>st</sup> March 2020**

**8) Analysis of staff costs and employee benefits (cont.)**

**Staff Numbers**

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

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
Raising funds	4	5
Charitable activities	9	9
Support	3	3
Governance	1	1
	<u>17</u>	<u>18</u>

**9) Trustee and key management remuneration and expenses**

The total amount of employee benefits including pension contributions of key management personnel was £73,561 (2019: £75,296).

The charity trustees were not paid nor did they receive any other benefits from employment with the Trust (2019: nil). Travel expenses totalling £38 (2019:nil) were reimbursed during the year to 1 trustee.

During the year 3 (2019:3) Trustees made donations totalling £75,850 (2019:£100,850)

An Insurance policy in respect of Trustee Professional Indemnity has been taken out for the year ended 31 March 2020, at a cost of £672

**CHAIN OF HOPE**  
**Notes to The Financial Statements**  
**For the year ended 31<sup>st</sup> March 2020**

**10) Tangible fixed assets**

	Fixtures and fittings £	Computer equipment £	Medical equipment £	Total £
<b>Cost</b>				
At the start of the year	38,741	45,961	144,714	229,416
Additions in year	<u>-</u>	<u>2,550</u>	<u>-</u>	<u>2,550</u>
At the end of the year	<u>38,741</u>	<u>48,511</u>	<u>144,714</u>	<u>231,966</u>
<b>Depreciation</b>				
At the start of the year	26,515	35,593	127,485	189,593
Charge for the year	<u>7,596</u>	<u>6,322</u>	<u>6,332</u>	<u>20,250</u>
At the end of the year	<u>34,111</u>	<u>41,915</u>	<u>133,817</u>	<u>209,843</u>
<b>Net book value As at 31st March 2020</b>	<u><u>4,629</u></u>	<u><u>6,597</u></u>	<u><u>10,897</u></u>	<u><u>22,123</u></u>
As at 1st April 2019	<u><u>12,226</u></u>	<u><u>10,368</u></u>	<u><u>17,229</u></u>	<u><u>39,823</u></u>

All of the above assets are used for charitable purposes.

**11) Debtors**

	2020 £	2019 £
Other Debtors	121,161	-
Prepayments	63,520	67,892
Trade Debtors	-	298,109
	<u><u>184,681</u></u>	<u><u>366,001</u></u>

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**12) Creditors: Amounts falling due within one year**

	2020	2019
	£	£
Trade creditors	223,107	166,076
Donations Payable	-	61,627
Other creditors	6,841	34,872
Accruals	113,814	101,923
Other tax and social security	17,299	19,242
	<u>361,061</u>	<u>383,740</u>

**Included in other tax and social security is £2,843 (2019:£1,710) relating to pension creditor at the year-end**

**13) Financial Instruments**

	2020	2019
	£	£
Financial assets at amortised cost	<u>184,681</u>	<u>366,001</u>
Financial liabilities at amortised cost	<u>264,516</u>	<u>262,575</u>

**14) Operating Leases**

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

Less than 1 year	Property 31st March 2020	Property 31st March 2019	Equipment 31st March 2020	Equipment 31st March 2019
	16,340	6,150	264	-

Post year end, a reduced rent was agreed as a result of COVID-19, reducing the commitment to £12,255

**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 the objectives of the charity are met. Where restricted funds do not cover the costs of the activities mentioned below, transfers are made from unrestricted funds to cover the overspend and will reflect the timing of income and spend.

Restricted funds in the year relate to:

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

**Medical Equipment for mission use:** Use restricted to the purchase of specific medical equipment

**Overseas Missions & Development:** Use is restricted to overseas missions but not allocated to a specific country.

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**15) Movement in Funds (cont.)**

	As at 1st April 2019 To- tal Fund £	Incoming resources & gains £	Outgoing resources £	Transfers £	As at 31st March 2020 To- tal Fund £
<b>Restricted funds:</b>					
<i>Activities overseas</i>					
Aswan	13,258	217,731	235,021	4,032	-
Burundi	395,621	-		-	395,621
Rwanda	100,000	118,750	36,470	100,000	282,280
Sierra Leone	-	544	544	-	-
Jamaica Fund	-	35,000	(1,238)	25,000	61,238
<i>Child referral</i>					
Child Funding	1	741,413	1,177,078	442,026	6,362
<i>Medical Equipment</i>	312,538	95,122	53,943	-	353,717
<i>Overseas Missions &amp; Development</i>	107,997	1,917,195	2,192,457	549,190	381,925
<i>Fundraising</i>	-	136,996	136,996	-	-
<b>Total restricted funds</b>	<b>929,415</b>	<b>3,262,751</b>	<b>3,831,271</b>	<b>1,120,248</b>	<b>1,481,143</b>
<b>General Funds</b>	2,265,821	1,000,341	1,004,246	(1,120,248)	1,141,668
Unrealised exchange gains	175,894	39,646	-	-	215,540
<b>Total unrestricted funds</b>	<b>2,441,715</b>	<b>1,039,987</b>	<b>1,004,246</b>	<b>(1,120,248)</b>	<b>1,357,208</b>
<b>Total funds including pension fund</b>	<b>3,371,130</b>	<b>4,302,738</b>	<b>4,835,517</b>	<b>-</b>	<b>2,838,351</b>

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**15) Movement in Funds (continued)**

**2018/19 Comparatives**

	As at 1st April 2018 Total Fund £	Incoming resources & gains £	Outgoing resources £	Transfers £	As at 31st March 2019 Total Fund £
<b>Restricted funds:</b>					
<i>Activities overseas</i>					
Aswan	23,778	229,587	240,107	-	13,258
Burundi	395,621	-	-	-	395,621
Rwanda	-	100,000	-	-	100,000
Sierra Leone	-	911	911	-	-
Jamaica Fund	-	39,638	39,638	-	-
<i>Child referral</i>					
Child Funding	154,068	889,289	1,043,356	-	1
<i>Medical Equipment</i>	107,000	240,660	35,122	-	312,538
<i>Overseas Missions &amp; Development</i>	770,963	1,385,981	2,048,947	-	107,997
<i>Fundraising</i>	-	136,046	136,046	-	-
<b>Total restricted funds</b>	<b>1,451,430</b>	<b>3,022,112</b>	<b>3,544,127</b>	<b>-</b>	<b>929,415</b>
<b>General Funds</b>	2,234,606	1,247,219	1,216,004	-	2,265,821
Unrealised exchange gains	91,456	84,438	-	-	175,894
<b>Total unrestricted funds</b>	<b>2,326,062</b>	<b>1,331,657</b>	<b>1,216,004</b>	<b>-</b>	<b>2,441,715</b>
<b>Total funds</b>	<b>3,777,492</b>	<b>4,353,769</b>	<b>4,760,131</b>	<b>-</b>	<b>3,371,130</b>

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**16) Analysis of net assets between funds**

	Unrestricted £	Restricted £	Total £
Fixed Assets	11,225	10,898	22,123
Cash and current investments	1,354,681	1,637,927	2,992,608
Other current assets / (liabilities)	(8,698)	(167,682)	(176,380)
<b>Total</b>	<b>1,357,208</b>	<b>1,481,143</b>	<b>2,838,351</b>

**2018/19 Comparatives**

	Unrestricted £	Restricted £	Total £
Fixed Assets	22,593	17,230	39,823
Cash and current investments	2,518,136	830,910	3,349,046
Other current assets / (liabilities)	(99,014)	81,275	(17,739)
<b>Total</b>	<b>2,441,715</b>	<b>929,415</b>	<b>3,371,130</b>

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

	2020 £	2019 £
<b>Net income / (expenditure) for the reporting period (as per the statement of financial activities)</b>	(532,779)	(406,362)
Depreciation	20,250	19,524
Interest, rent and dividends from investments	(10,974)	(21,593)
(Increase)/ decrease in debtors	181,320	(178,194)
Increase/ (decrease) in creditors	(22,679)	(928,356)
<b>Net cash provided by / (used in) operating activities</b>	<b>(364,862)</b>	<b>(1,514,981)</b>

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**18) Related party transactions**

A daughter of one of the Trustees, is employed by the charity to manage the International Child Referral Programme and 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 a grant to Chain of Hope Jamaica, to fund the salary cost of an Executive Director amounting to £57,473 (2019: £54,055). Grants made in the year for specific purposes of £nil (2019: nil) in respect of the purchase of medical equipment.

During the year payments were made to the Aswan Heart Centre (AHC) amounting to £147,093 (2019: £60,500) in respect of the treatment of children under the International Child Referral Programme. Professor Magdi Yacoub is a trustee of both the Aswan Heart Centre and Chain of Hope.

During the year a material donation of £75,000 (2019: £100,000) was received by Chain of Hope from Professor Magdi Yacoub, a Trustee of the charity. The funds are restricted to supporting the development of paediatric cardiac care in the country of Rwanda. During the year the Board of Trustees of Chain of Hope agreed to donate £100,000 to the project and this is reflected in the transfer to the Rwanda project in Note 14. Alan Magee, a Trustee of the charity, became a regular donor in November 2019 donating £10 a month.

Gavin Wright, Chairman of the Board of Trustees of Chain of Hope and Professor Magdi Yacoub, Trustee board member are also Trustee Board members of The Heart Care and Research Foundation Rwanda.

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