

Annual Report

AND FINANCIAL STATEMENTS 2020/2021

REHEMA,
AGED 8,
KENYA

Highlights

2020/2021



114,450
CHILDREN SUPPORTED



398,819
LETTERS WRITTEN



£50.8m
TOTAL INCOME



88.6%
OF DONATIONS WERE USED
FOR CHARITABLE ACTIVITIES

Contents

- 1. **Introductory remarks** 4
- 2. **Objectives and activities** 6
- 3. **Strategic report** 19
- 4. **Structure, governance and management** 31
- 5. **Trustees’ responsibilities** 38
- 6. **Independent auditor’s report** 39
- 7. **Statement of financial activities** 43
- 8. **Balance sheet** 44
- 9. **Cash flow** 45
- 10. **Notes to the accounts** 46
- 11. **Reference and Administrative Details** 58



SARAH, AGED 12, BRAZIL

HOW CHILD SPONSORSHIP **CHANGES LIVES**

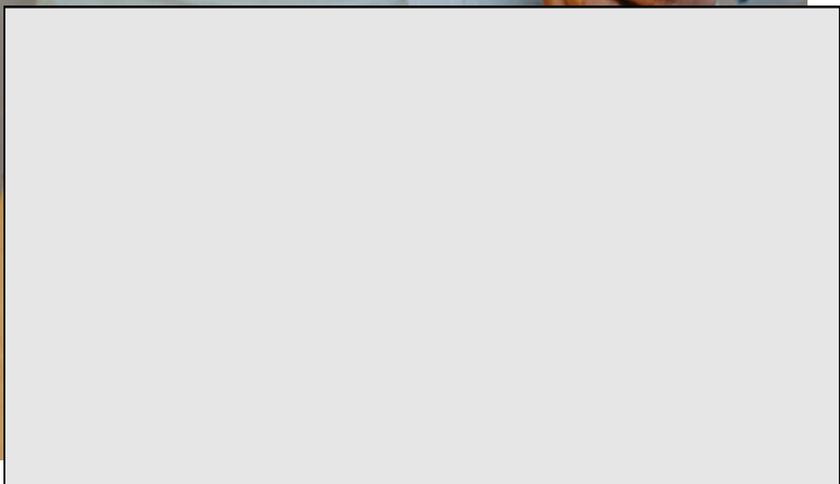


“On several occasions I asked myself ‘Does God care about me?’ Because poverty was teaching me that God didn’t care, that I wasn’t important, that I was not valuable. And it was in the middle of that, that God used Compassion to show me His love and His care for me.

“When I was 7, I was shining shoes in the street; when I was 14, I was fixing and assembling computers; when I was 23, I was already an IT manager.

“We don’t know how God is going to use the child you are sponsoring today, but we do know for sure we are changing one life, we are impacting a community, we are bringing glory to the Lord.”

TONY BELTRAN,
Compassion International
National Director,
Dominican Republic



A MESSAGE FROM JUSTIN DOWDS CEO COMPASSION UK & IRELAND



Here at Compassion UK, we're mindful of our responsibility to serve well. We're aware of the huge sacrifices that many of our supporters make and not a penny is spent without careful consideration. In preparation for our 2020-2021 Financial Year, we set to work creating even more detailed models to try and understand the impact that COVID-19 would have on our ability to support precious children around the world.

But we are acutely aware of the words of Proverbs 19:21, "Many are the plans in the mind of a man, but it is the purpose of the LORD that will stand." Globally we've seen places of worship, organisations and businesses close their premises. Indeed, we began the year with all 25 of our country offices shut and staff working remotely.

On the face of it, there seem many reasons for concern, but ours is not a ministry confined by buildings, but rather is fully reliant on God's grace. While premises may have been locked, the Church has been active and busier than ever. Compassion has always been a Church-based ministry empowering local Christians to be the very hands and feet of Jesus in their communities.

We believe the Church is part of God's heart to share His love with the world, and it's been incredible to see the innovation and creativity of our frontline church partners and our supporting church partners as they have rallied in the face of an ever-changing pandemic. This has been a truly global crisis and as a global community we have responded to the call in Galatians 6:2 to 'carry each other's burdens.'

Despite personal pressures and great uncertainty, our Compassion UK sponsors have continued to faithfully give, write, and pray for our children. As a result, cancellation rates have been

among the lowest we've ever had, and one-off gifts have increased in both number and value. Overall, donations increased by £4,060,000, raising our total income to £50,840,000, and the number of children and young people we support increased by 2,856 to 114,450.

In addition, the percentage of supporters signed up for Gift Aid rose from 75.8% to 78.0%. This has helped to increase Gift Aid by £926,000 compared to last year, which we used to respond to disasters, support children still waiting for a sponsor, and establish a pilot project to assist 3,504 children without individual sponsors.

The challenges thrown upon us by successive lockdowns have also provided impetus and opportunity for innovation, particularly in the realm of digital communications. Our Digital Transformation plan has been accelerated with a fully digital journey for sponsors now mapped out.

We have also made improvements to the Compassion UK App - which more than 17,000 of our supporters and sponsors are now engaging with - and seen a 74% increase in online sponsorships thanks to our new digital advertising strategy.

With overseas travel on hold, our new Virtual Vision Trips have been invaluable in connecting supporters, church leaders and parliamentarians with our incredible field staff and the vital work they are doing on the frontline. Indeed, without the financial and time commitments of travelling to the other side of the world, more supporters have been able to engage directly with our teams on the frontline. These powerful connections have led to increased commitment from supporters, more

media articles about our work and even references to Compassion's ministry in parliamentary debates.

All this reflects what we can achieve when we work together as a global Body of Christ. It's been wonderful to work with so many collaborators, including media outlets, who share our passion to ensure that precious children are known, loved, and protected. Our partnership with Premier Radio as their Charity of the Year will continue into 2022. We've also televised two special events on TBN UK, including the wonderful Carols with Compassion in December.

While we have so much to be grateful for, the reality is challenges are far from over. As restrictions are lifted here, much of the world remains in lockdown. The risks to health and livelihoods are prevalent and decades of progress look set to be eradicated as the World Food Programme predict as many as 150 million more people will fall into extreme poverty by the end of 2021.

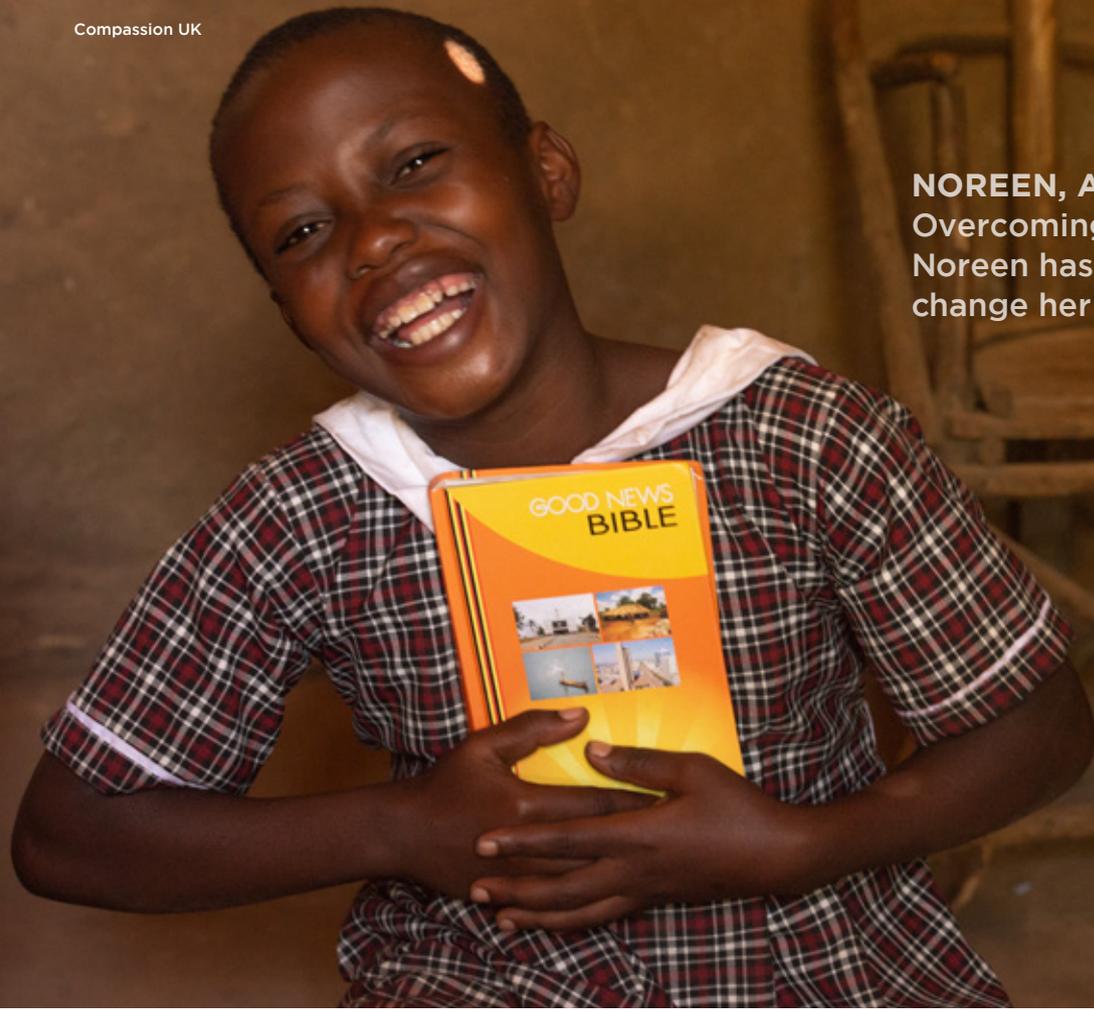
We will not stand by idly. The absence of face-to-face church meetings and Christian events curtailed our ability to reach new supporters over the past year. However, as we look ahead to the 2021-22 Financial Year, we will be stepping up our efforts engage more Christians in supporting children.

While so much remains uncertain, we hold firm to the promise that "God is our refuge and strength, an ever-present help in trouble. Therefore, we will not fear." Psalm 46:1-3. Thank you again for your faithful and generous support on behalf of Compassion's global family and the children we serve. I pray that you will be encouraged by the contents of this report and the remarkable difference you are making as part of the Body of Christ.

Objectives & ACTIVITIES

ESTEFANY WITH HER SON AXEL, EL SALVADOR
Estefany is a young mother raising her son with support from Compassion's Child Survival Interventions.





NOREEN, AGED 12, UGANDA
Overcoming adversity,
Noreen has great dreams to
change her community.

OUR MISSION:

RELEASING CHILDREN FROM POVERTY IN JESUS' NAME

Our charitable purpose as defined by our articles of association:

**THE RELIEF OF POVERTY, SUFFERING OR
DISTRESS AMONGST CHILDREN.**

THE EDUCATION AND TRAINING OF CHILDREN.

**TO ADVANCE THE CHRISTIAN FAITH IN
ALL OR ANY PART OF THE WORLD.**

**THE DEVELOPMENT OF CHILDREN TO
SOCIAL AND SPIRITUAL MATURITY.**

PUBLIC BENEFIT

Our trustees review our activities each year to ensure we follow the Charity Commission's general guidance on public benefit and their specific guidance on the prevention or relief of poverty and the advancement of religion as defined by our articles of association.



DOMIC, AGED 9, EL SALVADOR
Domic prays daily with his little brother Diego.

WHO WE ARE



CHRIST CENTRED

Jesus is at the heart of everything we do. Our programmes show God's love to children born into extreme poverty. Whilst Christ's love motivates us, we help children from all backgrounds, regardless of belief.



CHILD FOCUSED

We intentionally focus on caring for children, the most vulnerable to the devastating effects of poverty. We support children in every area of their lives, tackling the root causes of poverty that hold them back.

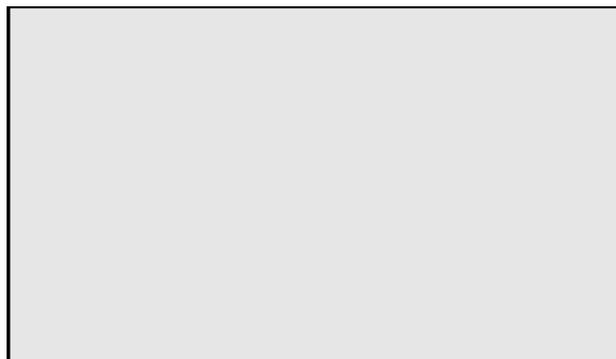


CHURCH BASED

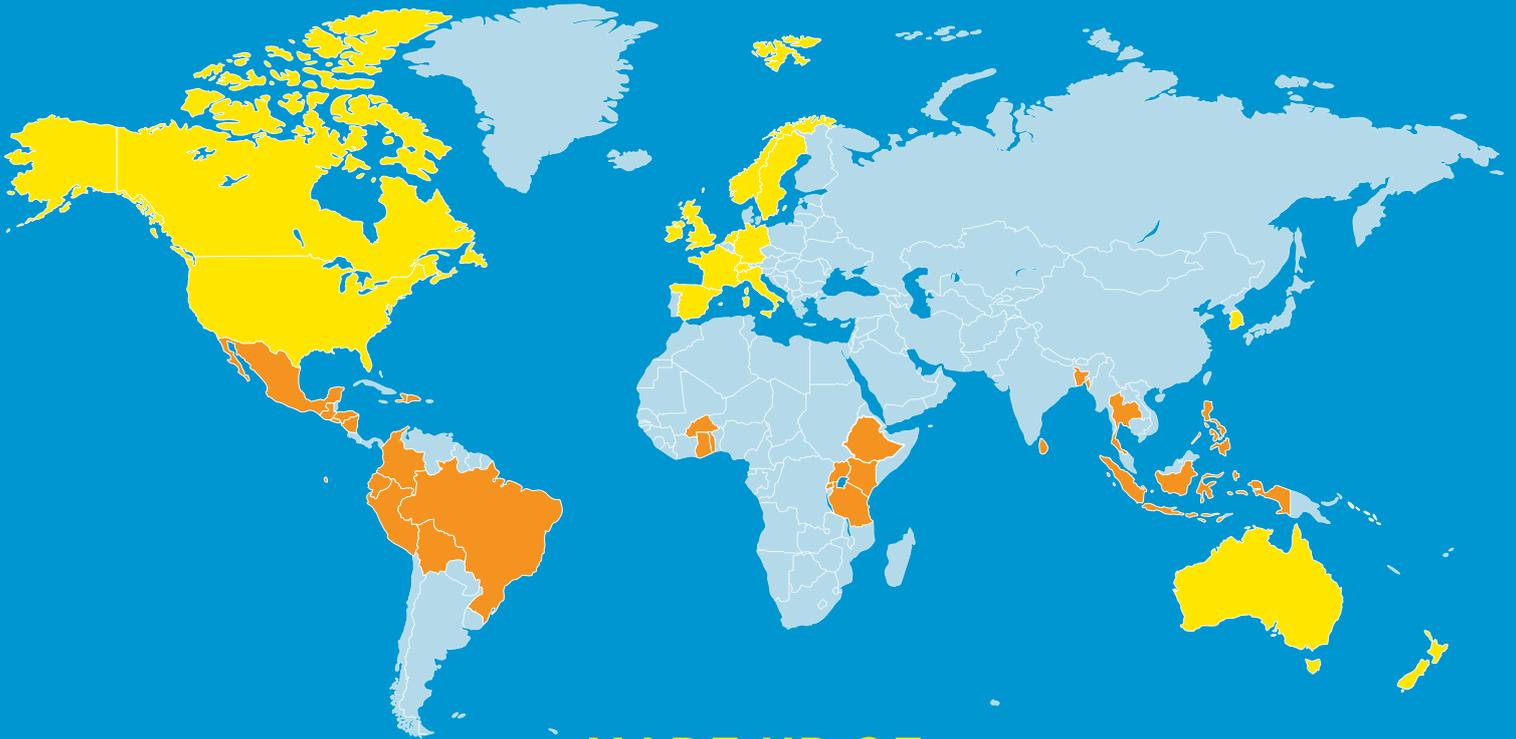
We believe the local church is best placed to care for their community. We run our programmes in partnership with 7,982 local churches who know their communities inside out.



SEE COMPASSION IN ACTION



AT A GLOBAL LEVEL
COMPASSION UK
IS PART OF THE WIDER
COMPASSION FAMILY



MADE UP OF
14
GLOBAL FUNDRAISING PARTNERS

WE WORK IN
25
COUNTRIES

THROUGH
7,982
FRONT-LINE CHURCHES

WHO ALTOGETHER SUPPORT
2,166,363
CHILDREN

HOW WE SERVE CHILDREN

OUR 3 KEY PROGRAMMES

FORTUNE, AGED 6, TOGO

Fortune is overjoyed to receive letters from her sponsor.



SURVIVAL

0-1 YEARS

Community workers from local churches work closely with pregnant women and babies to provide access to life-saving medical support, vaccinations, health screenings, hygiene supplies, nutritional supplements, education and skills training that will help secure a healthy future for their families.

SPONSORSHIP

1-22 YEARS

Our Child Sponsorship Programme connects children born into poverty with loving sponsors. Children and sponsors build relationships by writing regular letters to each other about their lives and sharing photographs.

INTERVENTIONS

Interventions help us save lives and address development issues that sponsorship funds alone cannot, like providing safe drinking water, tackling malnutrition, supplying emergency relief after a disaster and much more.

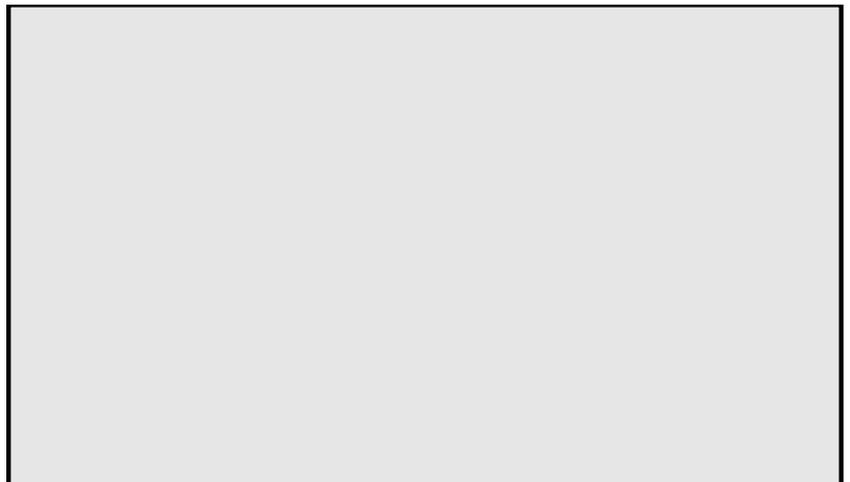


Hanna was in desperate need after her husband left and job opportunities dried up. Compassion’s local church partner stepped in, providing vocational training and food for her and baby son Mikias.

CHILD SURVIVAL

We reach at-risk children even before they’ve been born. Through access to pre and post-natal care, nutritional supplies, vaccinations and critical support and training for mums, we give children the opportunity to not only survive but thrive.

When they reach the age of one, children are automatically enrolled into the Compassion Sponsorship Programme where the love and care they have received in the all-important early days can continue as they grow.



CHILD SPONSORSHIP

We believe that every child should be known, loved and protected; that they are precious and unique.

Our Child Sponsorship Programme is tailored to meet the needs of each individual child. We want each one to have the opportunity to escape poverty and find hope for a better future.

Our holistic model supports the development of a child's mind, body, spirit and heart through the provision of:

SCHOOL RESOURCES & UNIFORMS

to help defeat illiteracy and provide critical skills

MEDICAL CHECK-UPS

to fight back against disease and keep children healthy

HEALTHY MEALS

and additional nutritional support where needed

CHRIST-CENTRED GUIDANCE

through the local church to overcome fear and hopelessness

VOCATIONAL TRAINING

to equip them for the future

RECREATIONAL ACTIVITIES

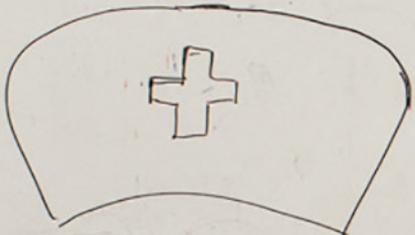
to improve self-confidence, social and emotional skills

A ONE-TO-ONE RELATIONSHIP WITH THEIR ONLY SPONSOR

with letters translated into their native language to bring hope and positive change

NAPADA AND NATHIPORN, THAILAND

Both girls want to become nurses when they are older to help children.



CHILD SPONSORSHIP

HOW DOES IT WORK?

We connect one child born into the vulnerability of poverty with one sponsor.

DOES IT WORK?

A three-year independent study of Compassion's holistic child development programme, led by Dr Bruce Wydick of the University of San Francisco and published in the peer-reviewed *Journal of Political Economy* in 2013, concluded that the programme has a large and statistically significant impact on children's educational, employment, and leadership outcomes: [compassionuk.org/itworks](https://www.compassionuk.org/itworks)

WHAT DO SPONSORS RECEIVE?

- Photos and information updates
- Child letters to keep them connected
- Insights into the country where their sponsored child lives
- Opportunities to hear about Compassion's work

PRATCHAYA, AGED 8, THAILAND

"I want to be a policeman when I grow up. The policemen can protect people and help catch bad people, like a superhero in a movie."

During their time in a Compassion project, a child receives, on average, **4,000 HOURS** of face-to-face time with Christian project staff members.*

Children attend their Compassion project for at least **43 WEEKS** of the year. This allows us to carefully assess their development over time as they grow.*

Through their local church, children receive a **BIBLE** or age-appropriate portion of scripture and opportunities to hear the **GOSPEL**.

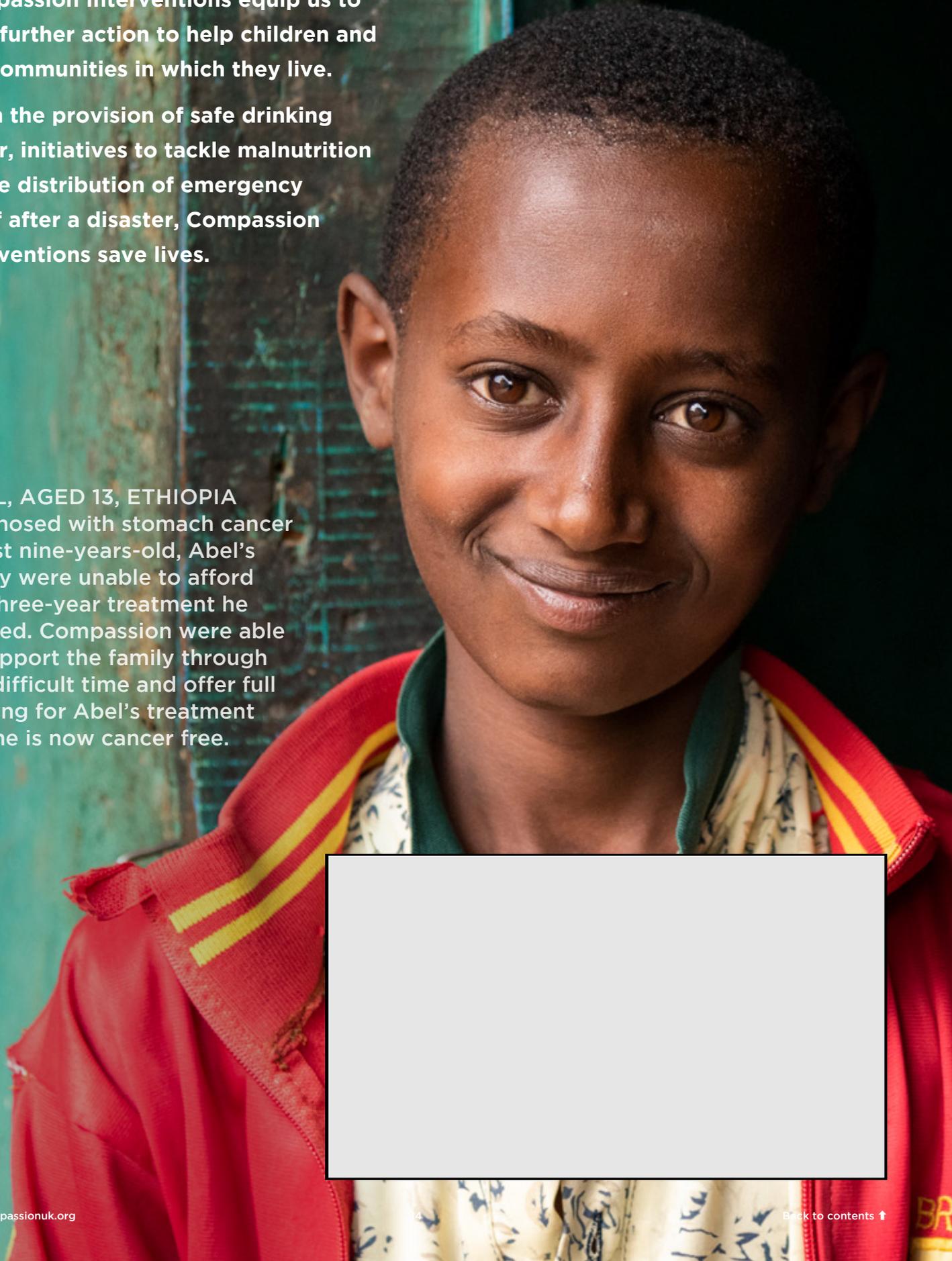
*During the COVID-19 pandemic, we have adjusted our strategy for caring for children in extreme poverty, resulting in some changes to the delivery of our programmes. Read more on page 16.

INTERVENTIONS

Compassion Interventions equip us to take further action to help children and the communities in which they live.

From the provision of safe drinking water, initiatives to tackle malnutrition or the distribution of emergency relief after a disaster, Compassion Interventions save lives.

ABEL, AGED 13, ETHIOPIA
Diagnosed with stomach cancer at just nine-years-old, Abel's family were unable to afford the three-year treatment he needed. Compassion were able to support the family through this difficult time and offer full funding for Abel's treatment and he is now cancer free.



CORONAVIRUS

RESPONSE



Your browser can't play this video.
[Learn more](#)

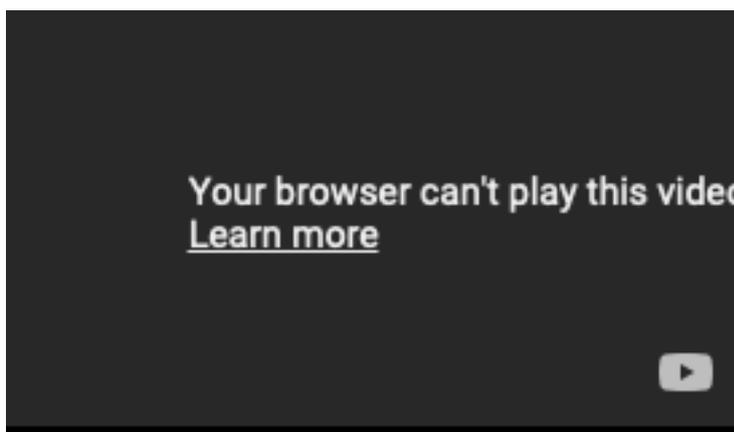


SHANIZ, AGED 9, KENYA

COVID-19 RESPONSE

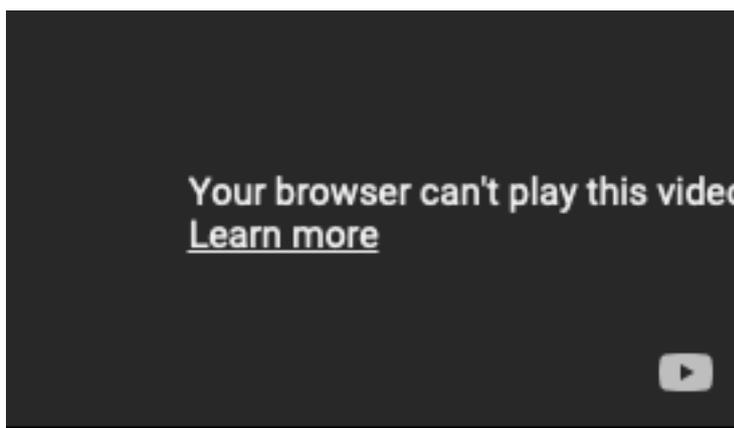
COVID-19 has increased the need in communities where our church partners work. Unfortunately, developing countries are less equipped for testing, caring for COVID-19 patients, and have reduced access to preventative measures such as vaccinations. As a result, we see greater vulnerability to the economic fallout, food scarcity, civil unrest and child protection issues resulting from quarantines and lockdowns.

While the UK is now on a trajectory of opening up and reducing restrictions, much of the world is experiencing either new outbreaks of COVID-19 or very slow ongoing progress.



CHANGES TO OUR CHILD SPONSORSHIP PROGRAMME

During the pandemic, restrictions have fluctuated across the 25 countries where Compassion serves. As of June 2021, 23% of projects have been delivering programme activities as normal, 34% have been meeting at the project in small groups, 21% have been carrying out activities by distance learning and 22% are supporting children and families through home visits.



Usually, sponsorship funds are primarily used for church-based programme activities to provide education, meals, medical care and opportunities to encourage healthy development. Since the pandemic began we have released our church partners to redeploy these funds to meet the critical needs of children, young people, and their families by prioritising unmet urgent needs during the pandemic, including household necessities like food, soap, detergent, hygiene kits and other tangible resources to care for and protect children and their families.

OTHER KEY DIFFERENCES IN HOW OUR PROGRAMME HAS BEEN DELIVERED DURING COVID-19:

- As restrictions allow, some projects hold small group classes and activities at local church projects.
- COVID-19 restrictions have meant that letters between children and sponsors have been delayed or interrupted.
- Church partners in many countries are delivering the Compassion curriculum through mobile phones, online classes and resources rather than through group activities at the project.
- Young people reaching the normal graduation age may have their registrations temporarily extended if leaving our programme at this time would impact their safety or threaten their ability to maintain food, shelter and healthcare.
- Gifts from sponsors to their sponsored children or their families may be delivered as direct money transfers, so that they reach the recipient as quickly as possible.

ADDITIONAL EMERGENCY RESPONSE

- We are providing food packs and grocery vouchers for families who can no longer afford food.
- We are helping family members access medical care and cover the costs of treatment if they become ill.
- We are helping cover rent payments for families who have lost their jobs due to COVID-19.

SPEAKING UP FOR CHILDREN



**DANNY WIGLEY,
COMPASSION SPONSOR**
Danny completed a marathon
with Compassion Challenges.

Our Challenge
Event Volunteers
have raised
£54,528
and seen
22 CHILDREN
sponsored in the
last year.

Despite the
global pandemic
our Administrative
Volunteers gifted
3,255 HOURS
during the last
12 months.

We have
101
fully registered active
Volunteer Speakers across
the UK & Ireland.

We have
33
Administrative
Volunteers doing a
multitude of
amazing tasks.

“HE TOOK A LITTLE CHILD WHOM HE PLACED AMONG THEM. TAKING THE CHILD IN HIS ARMS, HE SAID TO THEM, “WHOEVER WELCOMES ONE OF THESE LITTLE CHILDREN IN MY NAME WELCOMES ME; AND WHOEVER WELCOMES ME DOES NOT WELCOME ME BUT THE ONE WHO SENT ME.”

MARK 9:36-37



**MIGUEL,
AGED 5,
COLOMBIA**

Strategic REPORT

“FOR I KNOW THE PLANS I HAVE FOR YOU,” DECLARES THE LORD, “PLANS TO PROSPER YOU AND NOT TO HARM YOU, PLANS TO GIVE YOU HOPE AND A FUTURE.”

JEREMIAH 29:11



SOPHIA, AGED 6, BRAZIL
Inspired by Sara, a Compassion photojournalist, Sophia dreams of taking photos and writing stories when she grows up.

1 JULY 2018 – 30 JUNE 2021

3 YEAR STRATEGIC GOALS



GOAL 1: FOR A MINIMUM OF 80% OF DONATIONS TO BE USED FOR THE DIRECT BENEFIT OF CHILDREN OVER THE THREE-YEAR PERIOD

We set a three-year goal to maximise the impact we're making through our projects, therefore we ensured at least 80% of donations were used for the benefit of children. The remaining funds were stewarded diligently so that Compassion UK was well-governed, run efficiently, and could undertake activities to help us find new sponsors to support even more children.

GOAL 2: FOR OUR INCOME IN THE 2021 FINANCIAL YEAR TO GROW TO £50 MILLION ANNUALLY

We want to increase the level of care for children in our projects which is why we set a goal of increasing our income to £50m annually, and it has been wonderful to see our supporters respond so generously this year. Our supporters continued to faithfully support their sponsored children through regular

monthly giving while also increasing their one-off giving in response to the increased challenges faced by children living in extreme poverty during the pandemic. We also saw hundreds more supporters chose to sign Gift Aid declarations when asked.



FY18

41,598,000

FY19

44,463,000

FY20

46,236,000

FY21

50,836,000

GOAL 3: FOR 125,000 CHILDREN TO BE SPONSORED BY END OF FY21

We set an ambitious goal to accelerate our rate of growth and see 125,000 children sponsored by 30 June 2021. The children we serve are never just a number, each one knitted together uniquely in their mother’s womb, each with a name and a story. Sponsors play a key part in supporting children, alongside Compassion’s staff, to retain hope for their future.

At the beginning of this three year cycle a plan was in place to grow to serve 121,800 children meaning that additional growth was needed to reach 125,000 children

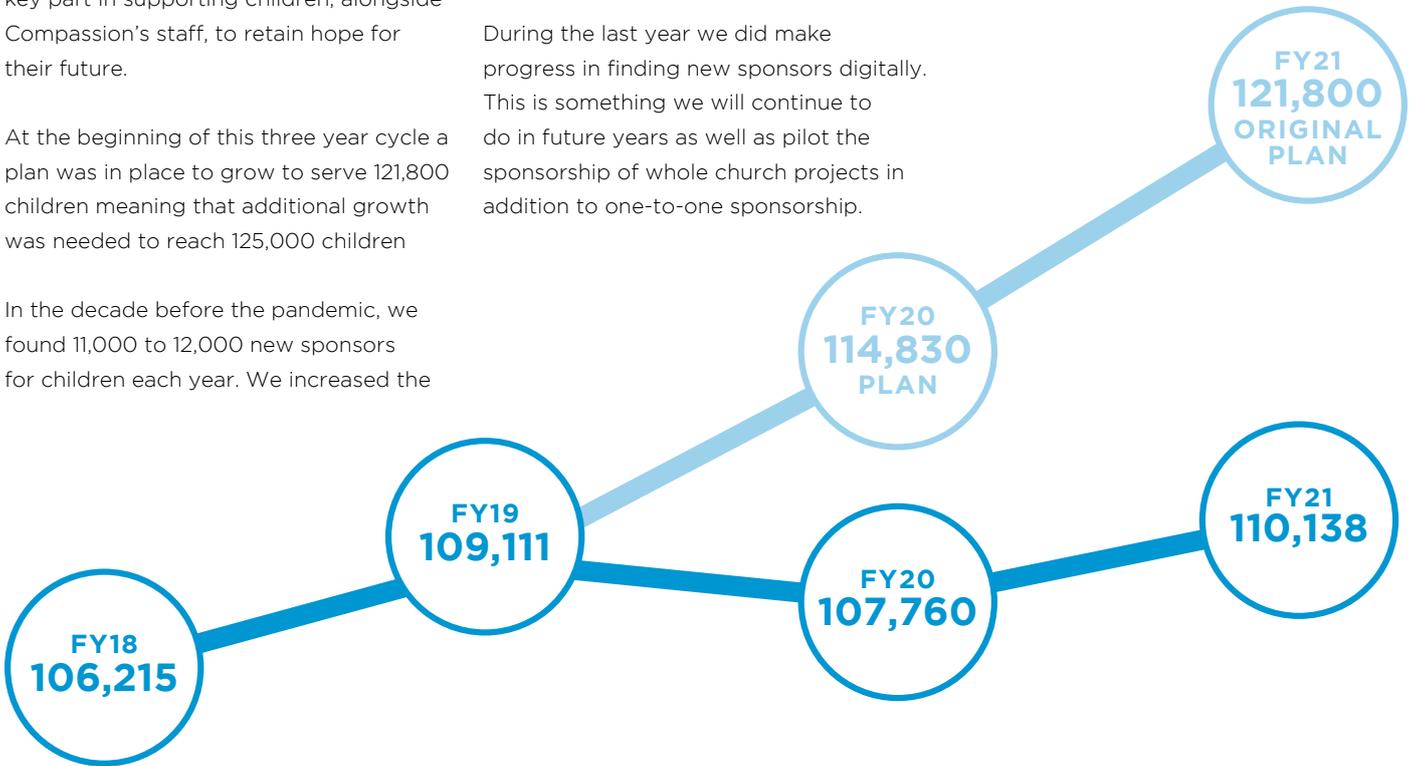
In the decade before the pandemic, we found 11,000 to 12,000 new sponsors for children each year. We increased the

capacity of our frontline church team so we could see even more children find a sponsor in future years. Progress in this area was slowed by the COVID-19 pandemic which prohibited face to face church engagements and live events for 15 months.

During the last year we did make progress in finding new sponsors digitally. This is something we will continue to do in future years as well as pilot the sponsorship of whole church projects in addition to one-to-one sponsorship.

At the beginning of the pandemic, we did see some increased cancellations though most sponsors continued to faithfully give every month.

Overall, the number of sponsored children increased by less than anticipated.



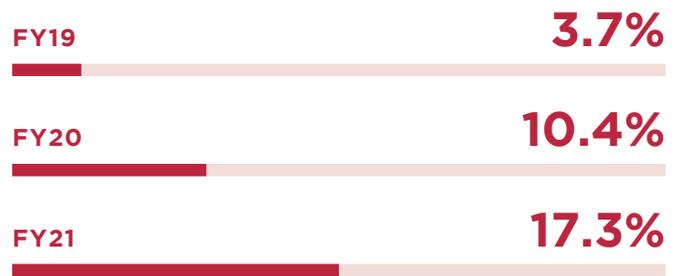
GOAL 4: FOR SUPPORTERS TO HAVE THE OPTION OF A FULLY DIGITAL PROCESS WHICH EXCEEDS THE PAPER SPONSORSHIP EXPERIENCE

Most of our supporters would like us to harness digital technology to improve the speed and ease of communication with their sponsored children, create a richer experience, save money on print costs and protect the environment by sending less paper.

The added demands of the pandemic meant a delay to development in this area. An experience equal to the paper experience is available, and progress has been made developing new experiences that can only be achieved digitally, though these will not be released to supporters until early into next financial year.



GOAL 5: FOR 35% OF SPONSORS TO BE ACTIVE ON OUR COMPASSION UK APP



Supporters have told us that they want to interact with Compassion digitally through their smartphones. We set a goal that by the end of FY21, 35% of our sponsors would be actively engaging with us digitally.

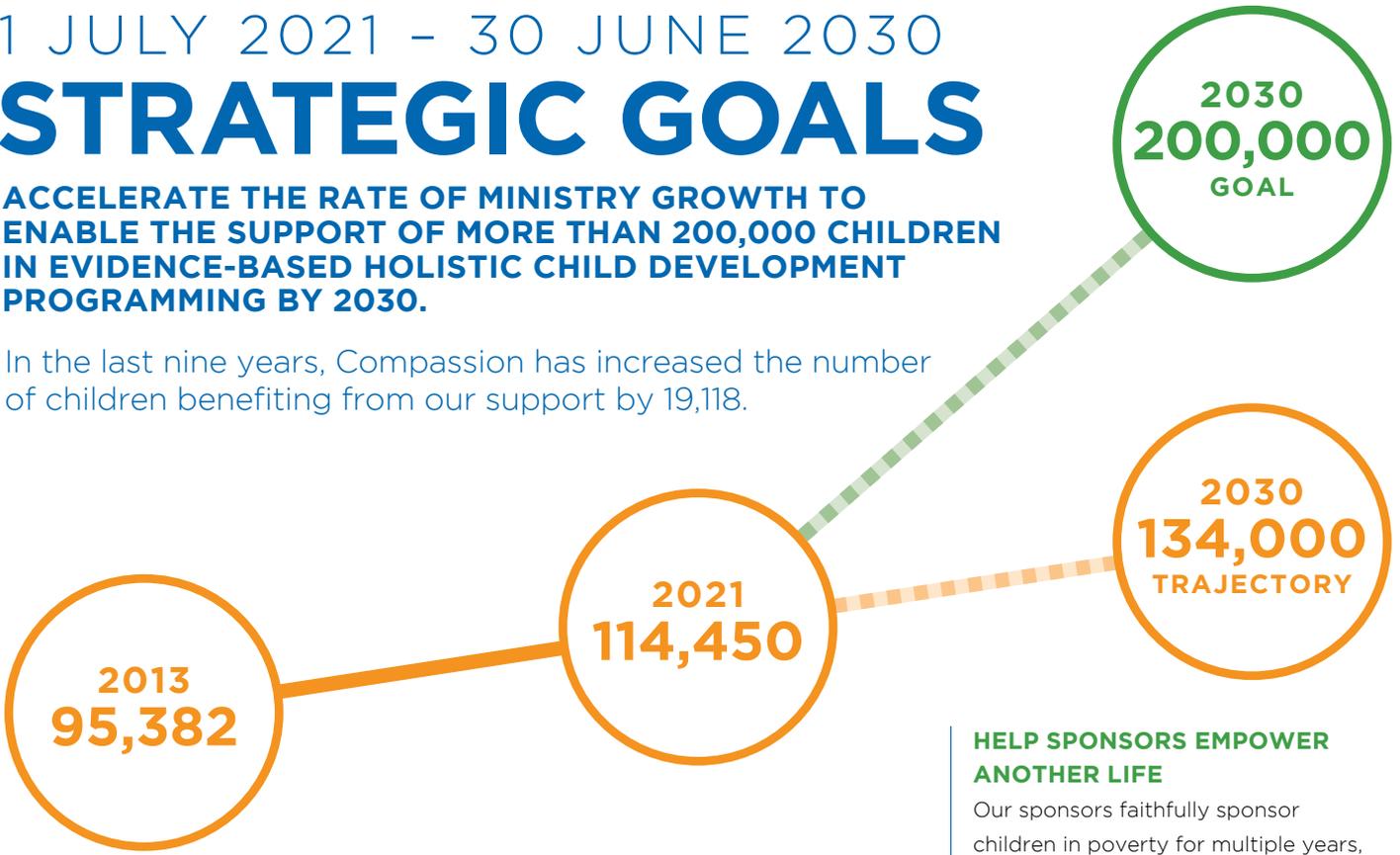
Last year, we changed our emphasis to focus on the quality of the user experience rather than the quantity of users using digital platforms.

We have continued to steadily increase the number of supporters engaging with us digitally as well as improving the quality and functionality for users.

1 JULY 2021 – 30 JUNE 2030 STRATEGIC GOALS

ACCELERATE THE RATE OF MINISTRY GROWTH TO ENABLE THE SUPPORT OF MORE THAN 200,000 CHILDREN IN EVIDENCE-BASED HOLISTIC CHILD DEVELOPMENT PROGRAMMING BY 2030.

In the last nine years, Compassion has increased the number of children benefiting from our support by 19,118.



However, with children’s futures in the balance, and with the scale of global extreme poverty, we do not believe we are doing enough, and so we are endeavouring to accelerate our rate of growth to reach 200,000 a year by 2030 through innovation, perseverance and prayer.

IN PURSUIT OF OUR FY30 GOAL, WE AIM TO ACHIEVE THE FOLLOWING IN FY22:

INCREASE THE RATE NEW SPONSORS FOR CHILDREN ARE FOUND

Our supporters have been extremely faithful throughout the pandemic but as the ability to recruit new sponsors was severely curtailed due to the absence of church and event opportunities, we are prioritising sponsorship growth in FY22.



INCREASE THE NUMBER OF GIFT AIDING SUPPORTERS

We want to steward the resources God gives to us as wisely as possible, and in these efforts, we believe that prioritising Gift Aid is imperative. This substantial additional revenue is already helping us reach many more children and pilot innovative work in our field countries. Next year, we have planned appeals and campaigns to lift the percentage of our supporters who have signed a Gift Aid declaration to 80%.



REDUCE THE NUMBER OF SPONSORS WHO CANCEL THEIR SPONSORSHIP WITHIN THE FIRST YEAR

A supporter is more likely to cancel their sponsorship in the first year. We want to do our best to ensure that supporters who want to continue to sponsor, are able to do so, protecting children from the feelings that come with losing their sponsor.



HELP SPONSORS EMPOWER ANOTHER LIFE

Our sponsors faithfully sponsor children in poverty for multiple years, and it’s a significant milestone in a young adult’s life when they no longer need Compassion’s support. We want to continue to encourage sponsors to empower another life by sponsoring a subsequent child after a graduation.



EMBED INNOVATION AS A CORE COMPETENCY

We want each of our team members to be able to answer the question, “What would need to be true for this team to make its biggest possible contribution to the journey to 2030?” and obtain the tools to take a holistic view of innovation.



HIGHLY ENGAGED TEAM MEMBERS

We want our people to thrive in a rapidly changing environment and remain highly engaged knowing this will lead to better outcomes for Compassion and higher job satisfaction for staff.



COMPASSION UK'S IMPACT THIS FINANCIAL YEAR

OUR SPONSORSHIP PROGRAMME

We connect one vulnerable child born into extreme poverty with one sponsor. Through sponsorship, every child is provided with holistic care in each area of their lives - mind, body, heart and spirit.



8,396
CHILDREN
WERE NEWLY
SPONSORED

4,780
CHILDREN LEFT
THE PROGRAMME



96%
OF SPONSORS
CONTINUED THEIR
CHILD SPONSORSHIP

AT THE YEAR
END THERE
WERE
106,634
CHILDREN AND
YOUNG ADULTS
REGISTERED
IN OUR
SPONSORSHIP
PROGRAMME



PROJECT SPONSORSHIPS

We're piloting a new approach using Gift Aid funds to support whole projects in Rwanda and Ghana and are monitoring outcomes.



3,504
CHILDREN IN
24
PROJECTS

OUR CHILD SURVIVAL INTERVENTIONS

We reach at-risk children even before they've been born. Through the provision of pre and post-natal care, nutrition, vaccinations, plus critical support and training for mums, we aim to give children the best start in life.



2,264
MOTHERS AND
BABIES WERE
REGISTERED IN
CHILD SURVIVAL
INTERVENTIONS
BY THE YEAR
END, AN
INCREASE OF
774

OUR UNSPONSORED CHILD PROGRAMME

We ensure children benefit from quality holistic care while we try to find them a sponsor.

AT THE YEAR
END THERE
WERE
3,180
CHILDREN BEING
LOOKED AFTER
WHILE WAITING
FOR A SPONSOR



COMPASSION UK

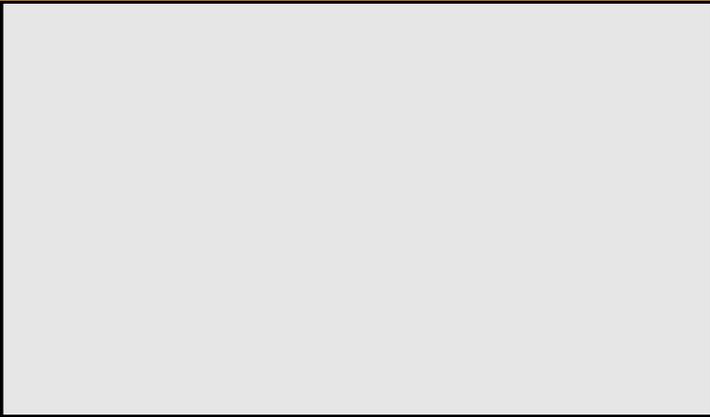
CHILDREN SUPPORTED:

114,450

IN 25 COUNTRIES
WHERE WE WORK



| | | | |
|--------------------|-------|-------------|--------|
| Bangladesh | 1,784 | Indonesia | 5,781 |
| Bolivia | 2,929 | Kenya | 12,819 |
| Brazil | 2,629 | Mexico | 1,791 |
| Burkina Faso | 4,816 | Nicaragua | 2,214 |
| Colombia | 3,321 | Peru | 2,870 |
| Dominican Republic | 2,354 | Philippines | 3,551 |
| Ecuador | 2,702 | Rwanda | 8,469 |
| El Salvador | 2,307 | Sri Lanka | 1,316 |
| Ethiopia | 8,366 | Tanzania | 5,230 |
| Ghana | 8,754 | Thailand | 2,411 |
| Guatemala | 1,814 | Togo | 5,105 |
| Haiti | 5,864 | Uganda | 13,597 |
| Honduras | 1,656 | | |



398,819
ENCOURAGING
MESSAGES
OF SUPPORT
BETWEEN
CHILDREN
AND THEIR
SPONSORS

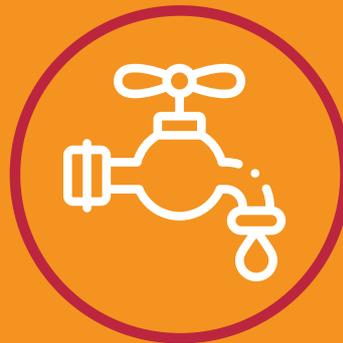
WE PROVIDED
EVERY CHILD IN OUR
PROJECTS WITH A
CHRISTMAS GIFT
AND PASSED ON
78,633
ADDITIONAL GIFTS
TO CHILDREN,
THEIR FAMILIES OR
THEIR PROJECTS



WE LAUNCHED AN
INTERVENTION
SUPPORTING
REFUGEES WITH
TOILETS, WATER
STORAGE SOLUTIONS,
SCHOLARSHIPS,
INCOME-GENERATING
TRAINING AND
MENSTRUAL
HYGIENE KITS



MALARIA
PREVENTION
WORKSHOPS
FOR
2,797
PEOPLE



11
SAFE WATER
SOURCES PROVIDED

600
EDUCATION
SCHOLARSHIPS



21
CLASSROOMS
AND COMPUTER
LABS BUILT



COVID 19 INFO

We granted **£3,637,000** to fund additional hygiene packs, food parcels, rent provision, health and nutrition education, child protection support, water distribution, psychosocial support and trauma counselling, among other crisis response interventions for children, families and communities affected by COVID-19. The majority of these funds were granted from the Most Needed Fund, which is mainly from Gift Aid income.

FINANCIAL REVIEW

INCOME

Total Income:
£50.84m



DONATIONS GREW BY
£4.06
MILLION



DONATIONS TO CHILD SPONSORSHIP

£2.2m
GROWTH

Donations for child sponsorship grew by £2.2m. This increase was due to the rate increase in April 2020.



GIFT AID RECEIVED

£0.9m
INCREASE

In FY21 Gift Aid claimed increased by £0.9m to £8.5m. This is linked both to the increase in donations and a higher Gift Aid sign up rate of 78%.



DONATIONS FOR GIFTS

£0.7m
ADDITIONAL RAISED

Our supporters donated £3.9m in one off gifts for children, their families, their projects, and for Christmas.



£0.4m
ADDITIONAL

Donations to the Most Needed Fund reached £1m thanks to a £0.4m increase in donations and legacies.

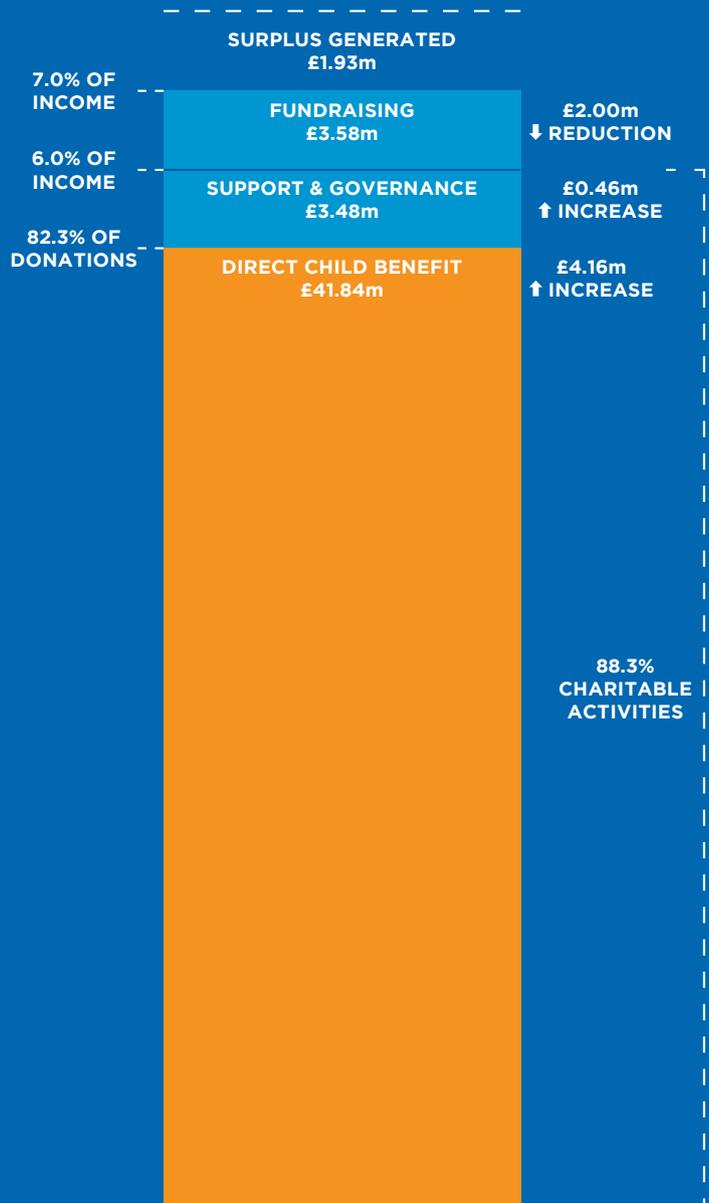
FINANCIAL REVIEW

INCOME & EXPENDITURE

INCOME £50.84m



EXPENDITURE £48.90m



During the financial year, as a result of increased donations, we were able to grant £4.15m of additional funds to Compassion International compared to the prior year.

We increased the amount we spent on support and governance by £0.46m. The majority of this resulted from increased Information Technology costs as we invested in the digital journey for supporters and automation.

The pandemic reduced some of our normal opportunities to reach new sponsors, and as a result, we spent £2.00m less on fundraising than in the previous year.

The savings in fundraising resulted in a surplus of £1.93m, which will carry over into next year.

FINANCIAL REVIEW

RESERVES

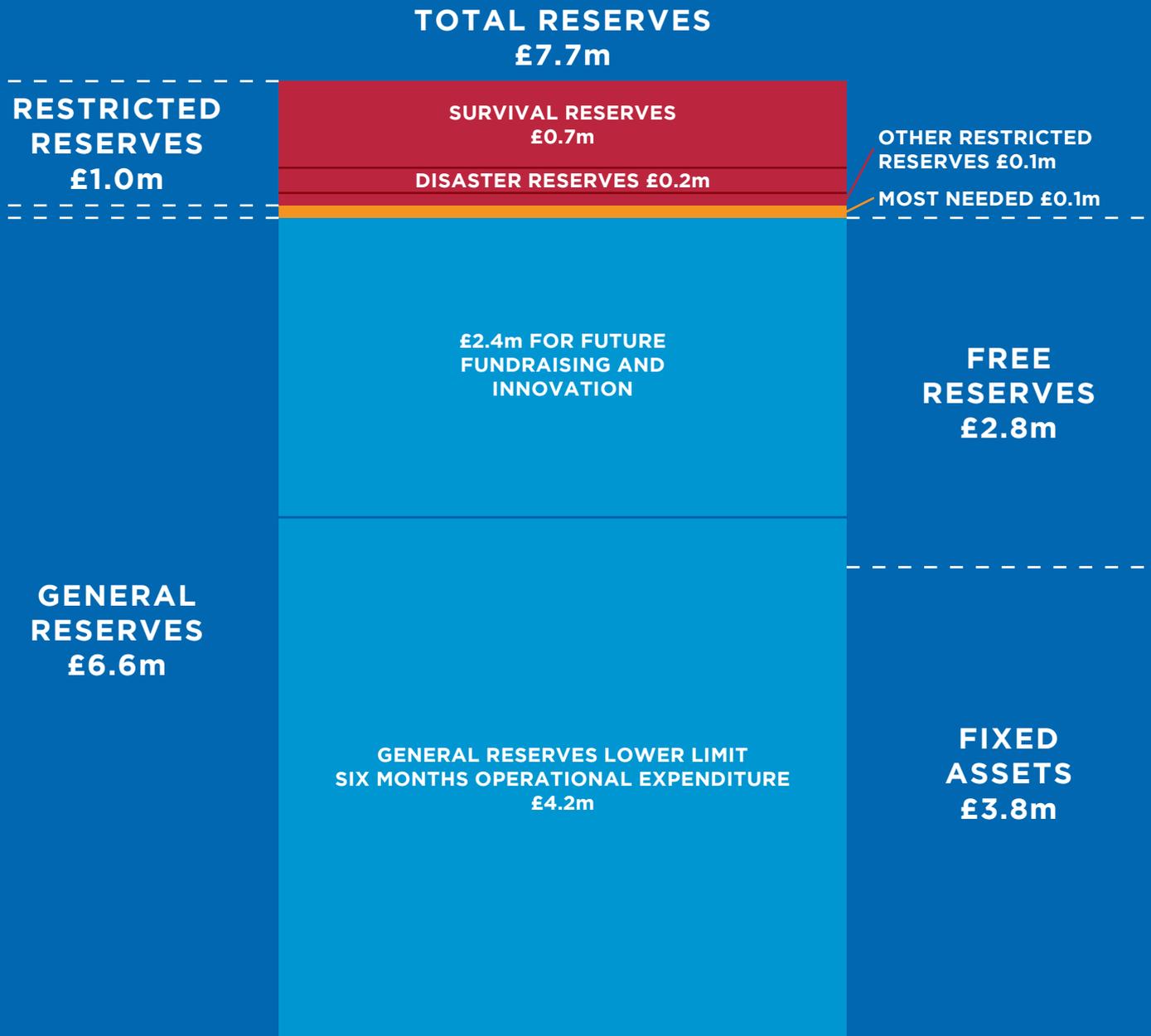
We will operate a deficit budget for the next two financial years while we make up this ground lost in the pandemic. Historically, spending money on finding sponsors has generated at least five times more direct child benefit in the long term than granting funds immediately.

The trustees policy is to hold six months of operational expenditure in reserve to protect the charity from unexpected drops in income or unanticipated expense.

The pandemic reduced the opportunities to meet with potential new supporters leading to savings in fundraising

costs, this means that, as a result, fewer additional children were sponsored than expected this year.

Our volunteer trustees monitor fund balances each year and normally seek to maximise additional grants where there are available reserves and no risk to operational stability.



PRINCIPAL RISKS AND UNCERTAINTIES

Compassion UK is a global partner of Compassion International, which has a separate risk management and global audit function focusing on Compassion's large-scale risk profile internationally. Compassion entities work together in the identification and co-assessment of Compassion's global risks. This includes the risks all the way from Compassion UK to the child and their project. The UK volunteer trustees bear the responsibility for ensuring that risks are managed and controlled appropriately.

SUMMARY OF MAJOR RISKS AND COMPASSION'S RISK MITIGATION

THERE ARE NEARLY 385 MILLION CHILDREN LIVING IN EXTREME POVERTY

This is an ongoing and painful reality that we have a biblical mandate to act upon as urgently as we can. It appears probable that the effect of the COVID-19 crisis could draw more children into extreme poverty.

Prayerful and strategic progress

We're committed to finding ways to engage people with the problem of poverty in a way that doesn't feel overwhelming and inspires action rather than paralysis. We ensure prayer is a key part of our strategy to allow God to do His work and provide divine hope into situations that can appear unresolvable.

Increasing our reach via investment in church partnerships and volunteers

This is a continued area of focus and growth for Compassion UK, which has become more challenging because of COVID-19. We need to continue to find ways to partner with churches physically and digitally.

Continued coronavirus emergency response appeal

This is to address the increased programmatic needs during the pandemic.

DIGITAL DISRUPTION

Technology continues to evolve at an ever-increasing rate, and it can be difficult for charities to keep up. This is true both of the technology itself and the rules and regulations governing this growing area. Failure to keep up with technology could result in a lost opportunity to improve supporter experience, and the scale and efficiencies of communications through the adoption of new technology.

Technological development

We're delighted that almost 17,000 supporters are using the Compassion UK App. We're also celebrating the growth in sponsorships from digital advertising this year. We will continue to grow our digital expertise and drive towards digital-first communications as standard across all our marketing and supporter engagement materials, preparing for future generations of supporters whilst serving and not alienating our existing supporter base.

ECONOMIC CLIMATE AND RISK OF REDUCED OR INSUFFICIENT INCOME

There is continued uncertainty around the effect of COVID-19 on the economy and our supporters. The UK economy is still on an unsure footing and suffers from currency fluctuations. This makes future financial planning challenging.

Hedging

Careful planning means we can increase currency stability via hedging.

Diversifying revenue streams

We continue to receive grant funding from the Foreign, Commonwealth & Development Office (FCDO) towards Child Survival Interventions in Togo. We also have other plans to diversify income further in the future.

NEGATIVE MEDIA COVERAGE OF THE CHARITY SECTOR

Successive scandals and charity press exposés have led to greater interest and focus on the activities and communications of the third sector.

Investment in media monitoring

We invest in media monitoring services to be made aware of any emerging stories relating to Compassion, our partners or our area of ministry as soon as possible. In addition, we have a clear and robust crisis communication process in place, which includes collaboration with Compassion International and our UK based PR agency, Jersey Road, to manage any potential or emerging communications issues.

SAFEGUARDING INCIDENTS

Protecting children is the heart of what we do. Implementing child protection measures across our 7,982 church partners is more challenging during the COVID-19 pandemic, both incident reporting and the ability to run full investigations due to lockdowns.

Child protection remains Compassion's key priority

Modifications have been made to programme implementation, including providing families and caregivers with relevant resources for child protection; enabling incident reporting to be done remotely; and monitoring and assessing local and national restrictions. See page 32 for more information.

CYBERSECURITY ATTACKS

In an increasingly connected world, cyberattacks are sadly becoming more sophisticated.

We continued to strengthen technical and organisation safeguards

Compassion UK has successfully achieved the National Cyber Security Centre's Cyber Essentials Certification Plus, which demonstrates the organisation has sufficient measures to guard against the most common cyber threats.

We continue to implement security enhancements to proactively identify cyber risks, and commit to conduct robust security reviews of suppliers who are engaged as data processors.

ACTS OF GOVERNMENT AND REGULATORY BODIES

It is possible operations are either prevented, delayed or hindered because of governments imposing stringent restrictions, which may lead to full or partial closure or suspension of office premises or programme activities in countries where Compassion operates.

Robust business continuity and disaster recovery plans

Compassion International monitors local and national restrictions and has in place contingency measures for adapting activities, as far as possible, to meet the needs of the beneficiaries.

In the UK we have an emergency response workflow in the event of a disruptive event. All Compassion UK staff are equipped with the necessary resources that enable homeworking at short-notice.

FINANCIAL CRIME

Our programmes operate in areas of extreme poverty within countries where there may be political and/or social unrest and an increased risk of corruption and fraud.

Working with the right partners

Identification, monitoring and evaluation of risks forms the framework for who we choose to partner with. We work exclusively through local churches who must have rigorous processes to ensure that money is used appropriately. We also provide a framework to those churches to help safeguard funds.

Supervising and audit

Our main National offices in each country supervise local churches, overseeing financial, operational and regulatory compliance. Employing finance staff to review expenditure in detail helps ensure that money is being spent correctly, alongside an independent internal audit department that reviews both local churches and the national offices.

When financial incidents are suspected, there is a robust investigation process. During investigation, partnerships with churches may be suspended and funds withheld. A serious incident process is also in place for reporting to appropriate regulators in the UK including the Charity Commission. Based on the outcome of the investigation, a church partnership may be terminated, and the perpetrators dismissed from their role. Compassion will take reasonable steps to recover stolen or intentionally misused funds.

Structure, GOVERNANCE & MANAGEMENT



INGRIDD, AGED 17, INDONESIA
Compassion's church partner established a computer lab at Ingridd's project. As a result, she's now the first member of her family to become computer literate.

OUR VOLUNTEER TRUSTEES

The trustees are the directors of Compassion UK for the purposes of company law and the trustees of Compassion UK for the purposes of charity law. All trustees are also members.



Jon Toohy

Chair of the Board of Trustees and Data Protection Trustee Lead

Jon is a qualified accountant, treasurer and member of the Institute of Directors with more than 30 years' experience of senior finance, systems and change management roles with global multinational companies in various industries.



Dr Richmond Wandera, PhD

Richmond is the senior pastor of New Life Baptist Church in Kampala, Uganda, the President and Founder of Pastors Discipleship Network and a Compassion Graduate.



Professor Anna Maslin, PhD

Deputy Safeguarding Trustee Lead

Anna has been working globally focusing on health, human rights and international development for over 40 years, representing the UK at numerous international fora.



Kenneth Morgan

Chair of the Finance and Audit Committee

Ken is a chartered accountant with more than 40 years' experience supporting the growth and development of a variety of organisations.



Graham Williams

(Resigned as a trustee on 16 October 2020)

Graham spent his career working with Warner Bros., before moving into the Christian music industry, running Word Music and then managing his own media consultancy business.



Bertram Shaun Sinniah

Shaun is the Chief Operating Officer and on the board of one of the world's leading professional service firms in the areas of risk, safety and people. He has a wealth of experience in multiple industries.



Matthew Walker

(Appointed as a trustee on 16 October 2020)

Matthew is a qualified accountant and Chartered Member of the Institute of Housing. Passionate about improving quality of life for those he serves he is Chief Executive of Leeds Federated Housing Association and Chair of PlaceShapers and Life Church Bradford.



Delfin Posada

Safeguarding Trustee Lead

A former pastor, Delfin is an internationally experienced solicitor and founding member of his law firm.



Hedy Hodson

(Appointed as a trustee on 16 October 2020)

Hedy is a chartered accountant who has had various roles working with the public sector, charities, churches and community projects with a particular focus on families and young people.



Cathryn Clarke

Cathy and her husband are involved in the global leadership of Hillsong Church, a thriving church in the heart of cities around the world.

LEADERSHIP TEAM

Authority to conduct the day-to-day operations of the charity is delegated to the Chief Executive Officer, who is responsible for carrying out the strategies and policies set by the trustees. The trustees responsibilities are set out on page 37



Justin Dowds

Chief Executive Officer



Amy Hiorns

Chief Operating Officer and Company Secretary



Nick Harris

Senior Director of Marketing and Engagement



Mark Preston

Senior Director of Partnerships

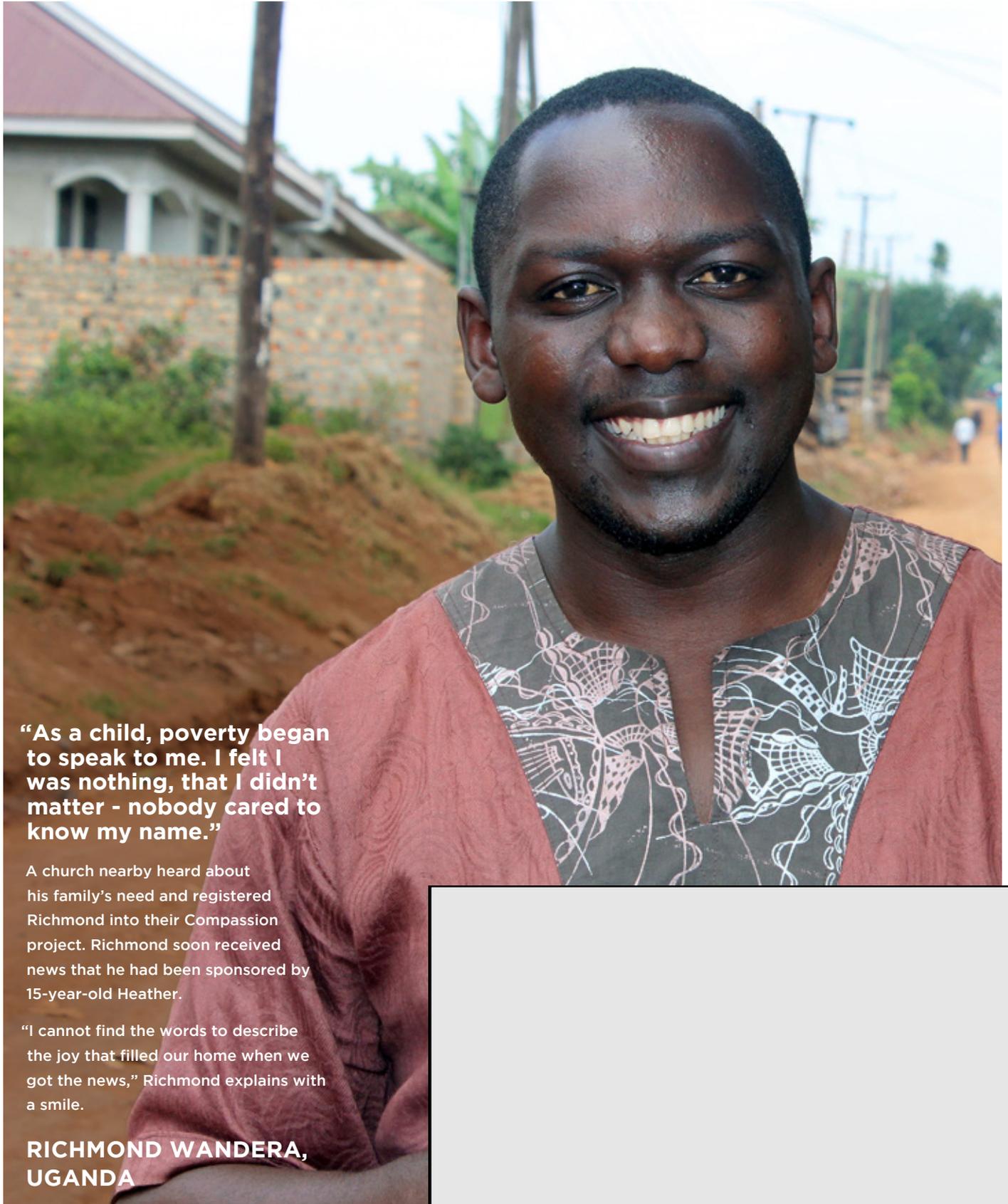


Stephen Blow

Finance Director

HOW CHILD SPONSORSHIP **CHANGED MY LIFE**

Richmond Wandera, Trustee

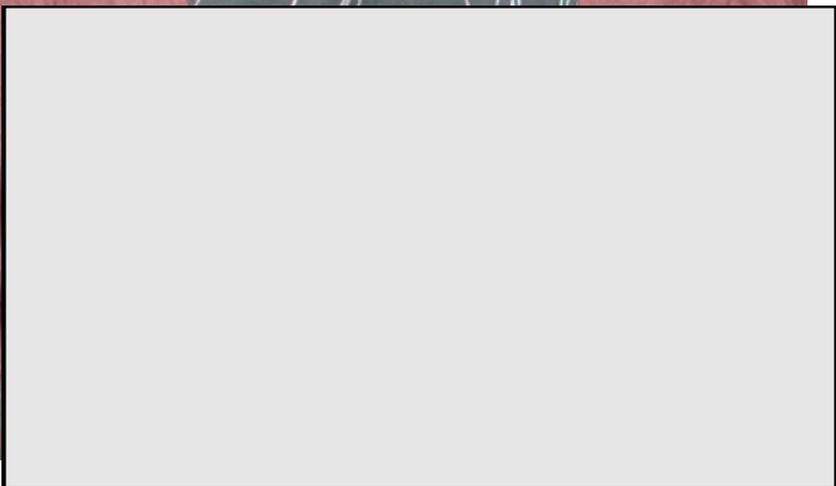


“As a child, poverty began to speak to me. I felt I was nothing, that I didn’t matter - nobody cared to know my name.”

A church nearby heard about his family’s need and registered Richmond into their Compassion project. Richmond soon received news that he had been sponsored by 15-year-old Heather.

“I cannot find the words to describe the joy that filled our home when we got the news,” Richmond explains with a smile.

**RICHMOND WANDERA,
UGANDA**



SAFEGUARDING

The protection of anyone who comes into contact with Compassion UK or our work is at the core of our ministry, and we are committed to doing all we can to keep children and adults safe, ensuring that they are known, loved and protected.

We have a zero-tolerance approach to safeguarding issues involving children. Compassion UK's Child Protection implementation strategy is embedded within three key pillars: Prevention, Reporting and Response.

PREVENTION

Everyone at Compassion UK is responsible for creating and maintaining an environment that neither tolerates nor condones the maltreatment of children or adults. Activities and efforts to promote safeguarding primarily focuses on stringent preventative interventions which reduce risk factors. These include:

Governance and Leadership –

our Board of Trustees take their safeguarding duties very seriously and, as such, have expanded the Safeguarding capacity at Compassion UK this year. As a result, a Deputy Designated Safeguarding Trustee has been appointed, and a Safeguarding Compliance Officer has been recruited. Along with our Designated Safeguarding Trustee and Child Protection Officer, this core team leads the Safeguarding work at Compassion UK. Safeguarding is a standing agenda item at each Board meeting; regular Executive Team meetings and safeguarding updates are provided to every trustee each month. In addition,

there is a child protection policy across all countries where Compassion works.

Safer Recruitment – safeguarding is embedded in recruitment processes for staff, trustees and volunteers, including background and DBS checking and high standards of behaviour being set. This year a new Volunteering Policy has been developed, and our Board have approved joining the Misconduct Disclosure Scheme. Further measures have also been embedded within our recruitment process.

Training and Development – all staff and trustees receive child protection training as part of their initial onboarding. Refresher training was provided to all staff in February 2021 and to the Board in June 2021. Role-specific training in Marketing and Communications and Field Experience teams have also been delivered.

Communications and Content –

Compassion's Marketing and Communications Team have global standards to align with our Child Protection policies. The beneficiary's interest is always our primary concern and one which we would never compromise when capturing content.

Field Experience – with travel curtailed due to the COVID-19 pandemic, our safeguarding controls have been adapted so they are fit for purpose in virtual and online trips. No one can travel to the field before undergoing stringent background checking and signing a commitment to acceptable behaviour. Training is provided 'in country' by local staff to reinforce the safeguarding protocols in place.

REPORTING

Everyone at Compassion UK is responsible for reporting any potential incident, abuse or concern they witness or are made aware of. This

includes a responsibility to report any breach of Compassion's 'Statement of Commitment to Child Protection and Code of Conduct', which all staff and trustees sign. Compassion UK has an appropriate and accessible process for reporting safeguarding concerns that is available to all. Regular training is provided on following the reporting protocols both in the UK and overseas.

Compassion UK has a 'Whistleblowing Policy and Procedure' intended to encourage and enable anyone to raise serious concerns without fear of victimisation, subsequent discrimination or disadvantage. Whistle-blowing concerns can be raised anonymously through our website, this includes the option to report directly to the Whistle-blowing trustee.

Compassion International uses the Ethics Point Hotline System which is available to employees, downstream partners, volunteers, beneficiaries and the general public to report information.

RESPONSE

Compassion's greatest responsibility is to protect children from harm. If a child is harmed, the priority is to restore the child's safety and provide an opportunity for them to experience healing.

Compassion follows all relevant national laws relating to the reporting of child maltreatment and criminal behaviour. Compassion UK takes our responsibility seriously to report all relevant Serious Incidents to the Charity Commission, FCDO and any other relevant authority.

MODERN SLAVERY

Compassion UK is committed to upholding high standards of accountability and transparency to ensure slavery and human trafficking is not taking place within our organisation or supply chains. We believe that everyone who comes into contact with the organisation has the right to be protected from all forms of harm, abuse, neglect and exploitation.

We publish information about the actions we have taken during the year on our website.



FUNDRAISING STATEMENT

WE BELIEVE THAT EXTREME POVERTY CAN BE ERADICATED IN OUR LIFETIME. THIS AMBITIOUS AIM CANNOT BE ACHIEVED WITHOUT IGNITING MEMBERS OF THE PUBLIC TO ACTION. WE ARE BLESSED AND THANKFUL FOR THE LONG-TERM COMMITMENT AND GENEROSITY OF OUR SUPPORTERS AS WE WORK TOGETHER TO EMPOWER CHILDREN AND THEIR FAMILIES TO BREAK FREE FROM EXTREME POVERTY.

Compassion UK has maintained its membership with the Fundraising Regulator and complied with the Code of Fundraising Practice and the Fundraising Promise. Additionally, members of relevant departments are also registered with the Institute of Fundraising.

Compassion UK's fundraising activities are conducted mainly by staff and volunteers. This primarily involves working in partnership with a wide range of stakeholders, including UK churches and Christian events and festivals. Due to the COVID-19 pandemic, events have been held online, and a 'Compassion Moment' is featured, which showcases our work and inspires people across the country to help a child step out of poverty through sponsorship.

Additionally, Compassion has public-facing touchpoints, such as our website, which promotes opportunities to sponsor a child, donate to our work and support our emergency appeals and other fundraising campaigns.

Compassion has a number of supporters who undertake fundraising activities either on our behalf or through their own initiative. We have also taken reasonable steps to monitor and review fundraising activities undertaken by third party organisations acting on our behalf, including applying robust due diligence procedures; reviewing agreements and contractual clauses in relation to compliance with the Code of Fundraising Practice; and performance reviews.

Compassion UK does not engage professional fundraisers but has agreements with Commercial Participators that are long-standing corporate partners of the ministry.

During the year, we kept abreast of updates from the Fundraising Regulator, including fundraising reporting requirements guidance

and safe and responsible public fundraising during the COVID-19 pandemic.

Compassion UK's Supporter Charter is available on our website and outlines our procedures for handling complaints. In the 2020-2021 financial year, we received 28 fundraising complaints. All complaints were treated seriously, and prompt actions were taken to resolve these satisfactorily. The trustees and senior leadership continue to review complaints as a standing agenda item at their meetings. This includes reviewing lessons learnt, which are used to inform future training needs or procedure reviews.

When conducting our direct marketing activities, we remain committed to:

- offering choice and control to personalise permissions and preferences to hear about our work;
- ensuring we have robust data protection and privacy policies;
- treating those who come into contact with our work respectfully and fairly.

We monitor opt-in numbers and communication channels that our supporters prefer. We are also signed up to the Fundraising Preference Service (FPS) and ensure any opt-out requests are actioned promptly. There were no FPS requests received in the last year.

Compassion UK's Policy on Supporters in Vulnerable Circumstances is publicly available on our website. We ensure everyone involved in fundraising activities is equipped to identify, interact and respond to our supporters who are in potentially vulnerable circumstances. We will always be mindful to respond appropriately to the particular needs of a supporter and ensure we have effective policies and procedures in place to treat them respectfully and fairly.

OUR ENVIRONMENT

NAPHAT, AGED 14, AND NATTHAPON, AGED 15, THAILAND
Naphat and Natthapon attend a youth development programme where they learn about conservation from local forest rangers.

People living in poverty are disproportionately harmed by climate issues. We want to do all we can to be part of the solution.

Through assessing our carbon footprint, we will monitor, reduce and offset our emissions to maintain our carbon neutral status. Previously, we created a baseline for our emissions, by measuring emissions from 1 July 2018- 30 June 2019, from which we now aim to improve. We then further calculated emissions for 1 July 2019 – 30 July 2020.

WE CONTINUE TO:

- Harness energy-efficient systems, such as solar panels and other technologies, in our offices.
- Offer paper-free experiences for supporters. We have identified this could save half a million printed documents each year.
- Reduce single-use plastic, for instance, using a biodegradable starch-based protective cover for our magazine.

DURING THE LAST YEAR:

- Emissions have decreased by 26.1%.
- Our most significant emissions are from air travel, accounting for 81% of our carbon footprint.
- The effects of the pandemic have dramatically reduced air travel emissions but increased the homemaker footprint.
- Offset carbon emissions since July 2018.

GOING FORWARD, WE ARE COMMITTED TO:

- Further evaluating the effectiveness of virtual tours. As well as cutting our emissions, there are both money and time saving alternatives to actual project visits and have so far been a great success.
- Limiting the amount of air travel and selecting airlines based on sustainability credentials for necessary flights.
- Transferring the office from a 93% renewable tariff to a 100% renewable tariff.
- Offsetting the carbon emissions caused during future periods.

Our assessment showed that for July 2018 - June 2020, we had produced 1,682 tonnes CO₂. We have offset this through a tree-planting project in Kenya and the Amazon. This has enabled emission reductions and restored the water catchment and ecosystem. The project also seeks to empower women, who make up more than 50% of the team, and provide livelihoods for local people.

As we move forward, we are committed to reducing our environmental impact to ensure we do all we can to protect people and the planet.



**Carbon
Neutral
Organisation** 

GOVERNING DOCUMENT

Compassion UK Christian Child Development is a company limited by guarantee and governed by its Articles of Association dated 24 February 1999. It is registered as a charity with the Charity Commission in England and Wales and the Office of the Scottish Charity Regulator. Members must accept and believe in the Compassion UK Statement of Faith. Each member agrees to contribute £10 in the event of the charity being wound up.

APPOINTMENT OF VOLUNTEER TRUSTEES

Every volunteer trustee must be a member. The chair of the volunteer trustees is a volunteer trustee elected by the volunteer trustees.

New volunteer trustees are elected by the existing volunteer trustees according to Charity Commission guidelines and ensuring that the Board has the appropriate balance of skills, experience, independence and knowledge to enable them to carry out their respective duties and responsibilities.

VOLUNTEER TRUSTEE INDUCTION AND TRAINING

Volunteer trustees are given training and documentation to brief them on their legal obligations under charity and company law, the content of the Articles of Association, the decision-making process, the business plan and the recent financial performance of the charity. Every three to four years, all volunteer trustees visit one of the countries where Compassion works to see the programmes first-hand.

ORGANISATION

The Board of volunteer trustees must have at least three members and is responsible for setting strategies and policies and ensuring that these are implemented.

All volunteer trustees give their time, freely and no volunteer trustee remuneration was paid in the year. Details of volunteer trustee expenses and related party transactions are disclosed in notes 9.11 and 9.18 to the accounts.

Volunteer trustees are required to disclose all relevant interests and, in accordance with the volunteer trustees' policy, withdraw from decisions where a conflict of interest arises.

The volunteer trustees conduct an annual Board review to evaluate performance against the principles set out in the Charity Governance Code. The evaluation report is used to identify and explain areas of strength and areas for development. We have established procedures that ensure actions to implement the Code's principles are reviewed routinely at each Board meeting to ensure ongoing accountability.

There is a Finance and Audit Sub-Committee that exists to provide support and advice to the Board in its governance role in respect of finance and audit issues. The committee is appointed by the Board with no less than four members, with a minimum of two members of the committee being members of the Board and the balance, Compassion UK staff. The committee meets at least three times a year.

The Board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. The Board maintains sound risk management and internal control systems.

Approximately every three years the Board will use market data to conduct job evaluations for all roles and benchmark all staff salaries to ensure that salaries are fair and in line with other organisations in the charity sector. In the intervening periods, percentage increases are evaluated annually based on Compassion's performance, and external factors and these are agreed at Board level.

Public Indemnity Insurance is provided by Compassion UK for trustees

CONNECTED CHARITIES

COMPASSION INTERNATIONAL

We are a member of the Compassion Global Partner Alliance, consisting of organisations throughout the world with a mutual commitment of purpose, structure and methodology. In order to be as effective as possible, the delivery of help to children in beneficiary countries is coordinated and implemented centrally through Compassion International.

Fundraising partner countries transfer funds raised to Compassion International which are then used to support programmes in the 25 frontline field countries. Grants paid to Compassion International cover the grants to the frontline church partners and running the field country and regional offices, as well as programme costs at Compassion International as this is the most efficient way to distribute funds.

COMPASSION IRELAND

We have an agreement to provide support services to Compassion Ireland for a fixed fee of 12% of all donations received. This excludes gifts and appeals, of which 100% is sent to Compassion International.

4. TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The trustees (who are also the directors of Compassion UK Christian Child Development for the purposes of company law), are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the income and expenditure of the charity 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 in the Charities Statement Of Recommended Practice (SORP);
- 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

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.

DISCLOSURE OF INFORMATION TO THE AUDITORS

Each of the persons who is a trustee at the date of approval of this report confirms:

- That in so far as they are aware there is no relevant audit information of which the charity's auditor is unaware; and
- Each trustee has taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

AUDITOR

Menzies LLP are deemed to be re-appointed under section 487 [2] of the Companies Act 2006.

STRATEGIC REPORT

The company has chosen in accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out within the Strategic Report the Company's Strategic Report Information required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review and details of the principal risks and uncertainties.

The Trustees' Report (incorporating the Strategic Report) was approved by the Board of Trustees (which is also the Board of Directors) on 29 October 2021 and signed on its behalf by Jon Toohey (Chair).

On behalf of the Board



Jon Toohey (Chair)

Dated 29 October 2021

5. INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMPASSION UK CHRISTIAN CHILD DEVELOPMENT

OPINION

We have audited the financial statements of Compassion UK Christian Child Development (the 'charitable company') for the year ended 30 June 2021 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including 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 30 June 2021, 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 Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 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

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

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

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

OTHER INFORMATION

The other information comprises the

information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the trustees' responsibilities statement set out on page 38, 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 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 directors 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 the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for

this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- The charitable company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We determined that the following laws and regulations were most significant including the Companies Act 2006, Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Safeguarding Vulnerable Groups Act 2006, GDPR and the UK Code of Fundraising Practice. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.
- We understood how the charitable company is complying with those legal and regulatory frameworks by making inquiries to management, those responsible for legal and compliance procedures and the company secretary. We corroborated our inquiries through our review of board minutes.
- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. The assessment did not identify any issues in this area.
- We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur. As a result of the above procedures, we considered that the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the posting of fraudulent journal entries, fictitious employees and timing of revenue recognition.

- Audit procedures performed by the engagement team included:
 - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - Challenging assumptions and judgments made by management in its significant accounting estimates;
 - Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;
 - Carrying out checks to establish the validity of employees, and
 - Reviewing and verifying the basis on which income is recognised in the accounts

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance

with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>.

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state

to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Janice Matthews FCA, Senior Statutory Auditor

For and on behalf of Menzies LLP, Statutory Auditor

Chartered Accountants
Statutory Auditor
Centrum House
36 Station Road
Egham
Surrey
TW20 9LF

Dated:
xx/10/2021

Menzies LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

GIMENA, AGED 13, HONDURAS

While Gimena comes from a rural community where education levels are low, she has excelled in mathematics. She discovered a love for maths at her Compassion project, and now competes nationally.

Financial STATEMENTS



6: STATEMENT OF FINANCIAL ACTIVITY

(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

| | NOTE | FOR THE YEAR ENDED 30 JUNE 2021 | | | | FOR THE YEAR ENDED 30 JUNE 2020 | | | |
|-------------------------------------|------|---------------------------------|------------------------------|---------------|------------------|---------------------------------|------------------------------|---------------|------------------|
| | | RESTRICTED FUNDS | DESIGNATED FUNDS MOST NEEDED | GENERAL FUNDS | TOTAL FUNDS 2021 | RESTRICTED FUNDS | DESIGNATED FUNDS MOST NEEDED | GENERAL FUNDS | TOTAL FUNDS 2020 |
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| INCOME FROM | | | | | | | | | |
| Donations & Legacies | 9.5a | 33,410 | 7,619 | 9,152 | 50,181 | 31,118 | 6,590 | 8,419 | 46,127 |
| Grants | 9.5b | 322 | - | 280 | 602 | 158 | - | 264 | 422 |
| TOTAL VOLUNTARY INCOME | | 33,732 | 7,619 | 9,432 | 50,783 | 31,276 | 6,590 | 8,683 | 46,549 |
| Charitable activities | 9.6 | - | - | 61 | 61 | - | - | 221 | 221 |
| Interest | | - | - | 1 | 1 | - | - | 15 | 15 |
| Profit/(Loss) on disposal of assets | | - | - | (9) | (9) | - | - | 24 | 24 |
| TOTAL INCOME | | 33,732 | 7,619 | 9,485 | 50,836 | 31,276 | 6,590 | 8,943 | 46,809 |
| EXPENDITURE ON | | | | | | | | | |
| Raising Funds | 9.7 | - | - | 3,576 | 3,576 | - | - | 5,577 | 5,577 |
| Charitable activities | 9.8 | 33,874 | 7,968 | 3,483 | 45,325 | 31,326 | 6,348 | 3,153 | 40,827 |
| TOTAL EXPENDITURE | | 33,874 | 7,968 | 7,059 | 48,901 | 31,326 | 6,348 | 8,730 | 46,404 |
| NET MOVEMENT IN FUNDS | | (142) | (349) | 2,426 | 1,935 | (50) | 242 | 213 | 405 |
| RECONCILIATION OF FUNDS | | | | | | | | | |
| Total Funds Brought Forward | | 1,138 | 442 | 4,188 | 5,768 | 1,188 | 200 | 3,975 | 5,363 |
| TOTAL FUNDS CARRIED FORWARD | | 996 | 93 | 6,614 | 7,703 | 1,138 | 442 | 4,188 | 5,768 |

The statement of financial activities includes all gains and losses recognised in the year. All income and expenses derive from continuing activities.

TREATMENT OF RESTRICTED, DESIGNATED AND GENERAL FUNDS

Where appropriate in the financial statements, income, expenditure and reserves are classified as restricted, designated or general funds. The income and expenditure are shown after restrictions have been applied.

For example, a donation which is 80% restricted will be classified as 80% restricted income and 20% as general income. If Gift Aid was claimed on this donation, 80% would be classified as designated income, and the remaining 20% would be general income.

The definitions of restricted, designated and general funds can be found in the accounting policies note 9.1J, 9.1K and 9.1L.

7: BALANCE SHEET

| | NOTE | AS AT 30 JUNE 2021 | AS AT 30 JUNE 2020 |
|--|------|--------------------|--------------------|
| | | £'000 | £'000 |
| FIXED ASSETS | | | |
| Tangible assets | 9.12 | 3,847 | 3,995 |
| Intangible assets | 9.12 | - | 1 |
| TOTAL FIXED ASSETS | | 3,847 | 3,996 |
| CURRENT ASSETS | | | |
| Debtors | 9.13 | 1,640 | 1,137 |
| Cash at bank and in hand | | 3,891 | 6,123 |
| Current asset investment | 9.14 | 4,000 | - |
| TOTAL CURRENT ASSETS | | 9,531 | 7,260 |
| LIABILITIES | | | |
| Creditors: Amounts falling due within one year | 9.15 | (5,626) | (5,436) |
| TOTAL LIABILITIES | | (5,626) | (5,436) |
| NET CURRENT ASSETS | | 3,905 | 1,824 |
| Total assets less current liabilities | | 7,752 | 5,820 |
| CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR | 9.16 | (49) | (52) |
| TOTAL NET ASSETS | | 7,703 | 5,768 |
| THE FUNDS OF THE CHARITY | | | |
| UNRESTRICTED FUNDS | | | |
| General Funds | | 6,614 | 4,188 |
| Designated Funds: Most Needed Fund | | 93 | 442 |
| TOTAL UNRESTRICTED FUNDS | | 6,707 | 4,630 |
| Restricted income funds | 9.18 | 996 | 1,138 |
| TOTAL FUNDS CARRIED FORWARD | | 7,703 | 5,768 |

Approved by the Board on 29 October 2021 and signed on its behalf by Jon Toohey

Jon Toohey

Company Registration Number 03719092

8: CASHFLOW STATEMENT

| | AS AT 30 JUNE 2021 | AS AT 30 JUNE 2020 |
|--|--------------------|--------------------|
| | £'000 | £'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income for the reporting period (as reported in the Statement of Financial Activities) | 1,935 | 405 |
| ADJUSTMENTS FOR: | | |
| Depreciation & Amortisation charges | 168 | 214 |
| (Profit)/Loss on the sale of fixed assets | 9 | (24) |
| Dividends, interest and rents from investments | (1) | (15) |
| Decrease/(Increase) in debtors | (503) | 423 |
| (Decrease)/Increase in creditors | 187 | 1,423 |
| Net cash provided by operating activities | 1,795 | 2,426 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Dividends, interest and rents from investments | 1 | 15 |
| Amount invested in short term investments | (4,000) | - |
| Purchase of fixed assets | (41) | (16) |
| Proceeds from the sale of fixed assets | 13 | 27 |
| Net cash provided by/(Used in) investment activities | (4,027) | 26 |
| CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD | (2,232) | 2,452 |

| | AS AT 30 JUNE 2021 | AS AT 30 JUNE 2020 |
|--|--------------------|--------------------|
| | £'000 | £'000 |
| Cash in hand at beginning of period | 6,123 | 3,671 |
| Notice deposits (less than three months) at beginning of period | - | - |
| TOTAL CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | 6,123 | 3,671 |
| Cash in hand at end of period | 2,891 | 6,123 |
| Notice deposits (less than three months) at end of period | 1,000 | - |
| TOTAL CASH AND CASH EQUIVALENTS AT END OF PERIOD | 3,891 | 6,123 |
| CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD | (2,232) | 2,452 |

ANALYSIS OF CHANGES IN NET DEBT

| | AT START OF YEAR | CASH FLOWS | AT END OF YEAR |
|----------------------------------|------------------|----------------|----------------|
| CASH | 6,123 | (3,232) | 2,891 |
| CASH EQUIVALENTS | - | 1,000 | 1,000 |
| OVERDRAFTS AND LOANS | - | - | - |
| TOTAL CHANGES IN NET DEBT | 6,123 | (2,232) | 3,891 |

9: NOTES

9.1 ACCOUNTING POLICIES

Compassion UK Christian Child Development is a private charitable company limited by guarantee incorporated in England and Wales. The address of its registered office is set out on the final page, and a description of its principal activities is set out on page 7.

A) BASIS OF PREPARATION

The financial statements have been prepared under the historic cost convention. These accounts have been prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), Accounting and Reporting by Charities: Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2019.

The charity meets the definition of a public benefit entity under FRS 102. The reporting currency is GB Pounds Sterling and the accounts are rounded to the nearest thousand (£'000). The principal accounting policies adopted in the preparation of the financial statements are set out below.

The charity has adequate reserves and substantial recurring income. The Trustees therefore consider that the charity will be able to meet its commitments for at least twelve months from the date of approval of these financial statements and for the foreseeable future. The accounts are accordingly prepared on a Going Concern basis.

B) INCOME

This is included in the Statement of Financial Activities (SoFA) when:

- The charity becomes entitled to the resources;
- The trustees believe it is probable they will receive the income; and
- The monetary value can be measured with sufficient reliability.

100% of child gifts and appeal donations are restricted. 80% of all other donations received are restricted.

Restricted donations are granted to Compassion International.

Income that relates to a future period is carried forward as deferred income. An example of this would be where a sponsor pays child support a year in advance.

Income from Gift Aid reclaims is recognised in the SoFA when the donation is made. Where backdated Gift Aid claims have been made which relate to donations in a prior period, this has been recognised in the current period.

For legacies, entitlement is taken as the earlier of the date on which either: 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 Trust that a distribution will be made, or when a distribution is received from the estate.

Receipt of a legacy, in whole or in 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 the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income from government grants is recognised when there is evidence of entitlement to the grant, receipt is probable, and its amount can be measured reliably. Grants that are

subject to conditions such as matched funding are only recognised once those conditions have been fulfilled.

Gifts in kind are accounted for at a reasonable estimate of their value to the charity or the amount actually realised.

Donated services and facilities are only included in income (with an equivalent amount in expenditure) where the benefit to the charity is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value to the charity of the service or facility received.

The value of any voluntary help received is not included in the accounts but is described in the Trustees' Annual Report.

Investment income is included in the accounts when receivable.

C) CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The main area of judgement is in relation to the allocation of central overhead costs between the various expenditure categories on the Statement of Financial Activities, the basis of which is set out in note 9.1(F).

Compassion makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. In the opinion of the trustees, the main estimate and assumption that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are in relation to the useful life of fixed assets, which are written-off in accordance with the depreciation policies set out in note 9.1(E).

D) FIXED ASSETS

Fixed assets are capitalised if they can be used for more than one year and cost at least £5,000. They are valued at cost on receipt.

E) DEPRECIATION AND AMORTISATION

Depreciation and amortisation are calculated to write off the cost of the assets brought into use less their residual value over their expected useful lives using the following rates:

- Computer equipment: 25% straight line
- Motor vehicles: 25% straight line
- Software: 25% straight line
- Furniture, fixtures and plant: 10% straight line
- Building structure: 2% straight line

Our assessment of our office valued the land at £1.3m. The rest of the structure, including the car park, is constructed from durable materials and has been estimated to have a useful life of 50 years.

F) EXPENDITURE

All expenditure is accounted for gross, and when incurred. Expenditure is included in the SoFA on an accruals basis and, because the charity is unable to recover any UK Value Added Tax paid, inclusive of that irrecoverable VAT. Expenditure includes the direct costs of the activities and depreciation on related assets.

Where such costs relate to more than one functional cost category, they have been split on an estimated time, floor space or other basis, as appropriate. A functional breakdown of expenditure is shown in notes 9.7 to 9.9.

Expenditure on Raising Funds are the direct costs and an appropriate allocation of support costs that were used to attract donations.

Expenditure on Charitable Activities include: monies remitted to Compassion

International and other organisations in respect of child sponsorship income; costs of supporting and providing information and education to child sponsors, including a share of the costs of the charity's magazine; and other costs incurred directly in meeting the aims of the charity. Child grants include all monies paid to Compassion International and other organisations for the direct benefit of children.

Child Ministry and Advocacy Costs include all costs incurred in the ministry of children and raising awareness on their behalf.

This expenditure includes an appropriate allocation of support costs of central functions which have been allocated to activity cost categories on a basis consistent with the use of resources, for example by estimated staff time or floor space.

G) FOREIGN CURRENCIES

Assets, liabilities, revenues and expenditure in foreign currencies are translated into Sterling at the rates of exchange ruling on the date on which transactions occur, except for monetary assets and liabilities which are translated at the rate ruling at the balance sheet date where material. Transactions to be settled at a contracted rate and trading transactions covered by a related or matching forward contract are translated at those contracted rates. Differences arising on the translation of such items are dealt with in the SoFA.

H) GRANTS

Grants payable are recognised as expenditure when the commitment is entered into. Where such a grant is to be paid over instalments, the outstanding balance is disclosed as a liability.

I) OPERATING LEASES

Rentals payable under operating leases are charged to the SoFA on a straight-line basis over the period of the lease.

J) GENERAL FUNDS

General funds are funds available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

K) DESIGNATED FUNDS

Designated funds are unrestricted funds that have been set aside at the discretion of the trustees for a specific, but not legally binding, purpose.

L) RESTRICTED FUNDS

Restricted funds are income received for a particular purpose as specified by the donor or supplier, less expenditure applied for such a purpose.

M) PENSION COSTS

Compassion UK operates a money purchase pension scheme whereby it pays eligible staff defined contributions into the charity pension scheme. The contributions are charged to the Statement of Financial Activities as they become payable and the charity's liability is limited to the amount of the contributions.

N) LIABILITIES

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

O) FINANCIAL INSTRUMENTS

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, and loans to related parties.

P) CURRENT ASSET INVESTMENTS

Current asset investments are investments which the charity holds with a maturity date of less than one year.

9.2 LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.

9.3 COMPASSION CHARITIES

COMPASSION INTERNATIONAL

The charity has a commitment to donors that 80% of monies received from child sponsorship and other child grants are transferred to Compassion International in the USA, who administer the distribution of funds for the benefit of each child on behalf of the charity (and other Compassion partners).

The amount of these funds granted during the year was £38,896,000 [FY20 £34,749,000] of which £3,721,000 [FY20 £4,137,000] was owed at the year-end and a further £451,000 [FY20 £110,000] was accrued. The outstanding amount represents the June 2021 grant and was transferred to Compassion International after the year-end.

The UK charity is actively involved in the overall administration of the support given to children and in the decisions made by the international partnership of Compassion charities.

Compassion International paid expenses of £20,000 [FY20 £140,000] to Compassion UK. Compassion UK paid expenses of £29,000 [FY20 £74,000] to Compassion International.

COMPASSION IRELAND

During the year Compassion Ireland's administration requirements have been undertaken for a fixed fee of 12% of donations received, excluding gifts and appeals.

During the year £63,000 [FY20 £62,000] was received in income from servicing Compassion Ireland and costs were £86,000 [FY20 £68,000] and no grant was made to Compassion Ireland [FY20 £18,000]. The intercompany balance owing by Compassion Ireland is £36,000 [FY20 £128,000].

Compassion UK board member, Ken Morgan, sat on the Compassion Irish board.

9.4 NET MOVEMENT IN RESOURCES FOR THE YEAR

| | FOR THE YEAR ENDED 30 JUNE 2021 | FOR THE YEAR ENDED 30 JUNE 2020 |
|---|---------------------------------|---------------------------------|
| | £'000 | £'000 |
| Depreciation and amortisation of fixed assets | 168 | 214 |
| (Profit)/Loss on disposal of fixed assets | 9 | 24 |
| Annual audit fees | 26 | 17 |
| Other fees paid to Auditor for advice/consultancy etc | 4 | - |
| Foreign exchange (gains)/losses | (39) | (3) |

9.5a DONATIONS AND LEGACIES

| | FOR THE YEAR ENDED 30 JUNE 2021 | | | | FOR THE YEAR ENDED 30 JUNE 2020 | | | |
|---------------------------------|---------------------------------|------------------------------|---------------|------------------|---------------------------------|------------------------------|---------------|------------------|
| | RESTRICTED FUNDS | DESIGNATED FUNDS MOST NEEDED | GENERAL FUNDS | TOTAL FUNDS 2021 | RESTRICTED FUNDS | DESIGNATED FUNDS MOST NEEDED | GENERAL FUNDS | TOTAL FUNDS 2020 |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| MINIMUM 80% RESTRICTED | | | | | | | | |
| Child Sponsorship | 27,531 | - | 6,883 | 34,414 | 25,795 | - | 6,449 | 32,244 |
| Unsponsored Children | 86 | - | 22 | 108 | 88 | - | 22 | 110 |
| Interventions | 596 | - | 144 | 740 | 637 | - | 150 | 787 |
| Sponsorship Plus | 480 | - | 114 | 594 | 453 | - | 107 | 560 |
| Child Survival Programme | 261 | - | 65 | 326 | 192 | - | 23 | 215 |
| HIV/Aids Fund | 68 | - | 17 | 85 | 73 | - | 18 | 91 |
| Other Restricted Donations | - | - | - | - | 2 | - | - | 2 |
| 100% RESTRICTED | | | | | | | | |
| Gifts for children and families | 2,700 | - | - | 2,700 | 2,092 | - | - | 2,092 |
| Gifts for projects | 307 | - | - | 307 | 221 | - | - | 221 |
| Christmas Appeal | 906 | - | - | 906 | 864 | - | - | 864 |
| Disaster Relief | 475 | - | - | 475 | 701 | - | - | 701 |
| MINIMUM 80% DESIGNATED | | | | | | | | |
| Gift Aid | - | 6,820 | 1,705 | 8,525 | - | 6,079 | 1,520 | 7,599 |
| General unrestricted income | - | 799 | 200 | 999 | - | 511 | 128 | 639 |
| OTHER DONATIONS | | | | | | | | |
| Other Donations | - | - | 2 | 2 | - | - | 2 | 2 |
| TOTAL | 33,410 | 7,619 | 9,152 | 50,181 | 31,118 | 6,590 | 8,419 | 46,127 |

Included in the figure above is legacy income of £320,000 (FY20 £151,000).

9.5b GRANTS RECEIVED

| | FOR THE YEAR ENDED 30 JUNE 2021 | | | | FOR THE YEAR ENDED 30 JUNE 2020 | | | |
|----------------------|---------------------------------|------------------------------|---------------|------------------|---------------------------------|------------------------------|---------------|------------------|
| | RESTRICTED FUNDS | DESIGNATED FUNDS MOST NEEDED | GENERAL FUNDS | TOTAL FUNDS 2021 | RESTRICTED FUNDS | DESIGNATED FUNDS MOST NEEDED | GENERAL FUNDS | TOTAL FUNDS 2020 |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| FCDO Grant | 322 | - | - | 322 | 158 | - | - | 158 |
| Job Retention Scheme | - | - | 280 | 280 | - | - | 264 | 264 |
| TOTAL | 322 | - | 280 | 602 | 158 | - | 264 | 422 |

FCDO Grant: A UK government matched funding grant providing pre and post-natal care for mothers and babies in Togo.

Job Retention Scheme: A UK government grant paying part of the salaries of employees furloughed because of coronavirus.

Compassion is grateful for this support and made use of the scheme to retain trained staff who were temporarily unable to perform their duties due to COVID-19 restrictions.

9.6 CHARITABLE ACTIVITIES

| | FOR THE YEAR ENDED 30 JUNE 2021 | FOR THE YEAR ENDED 30 JUNE 2020 |
|-----------------------------------|---------------------------------|---------------------------------|
| | £'000 | £'000 |
| Compassion Ireland Service Income | 63 | 62 |
| Field Experience Income/(Refunds) | (4) | 147 |
| Other | 2 | 12 |
| TOTAL | 61 | 221 |

Sponsors normally have the opportunity to visit projects and their sponsored children on a Compassion Insight Trip. Field Experience income represents fees paid for trips which took place in the period. No trips have taken place since COVID-19 became a worldwide pandemic.

9.7 EXPENDITURE ON RAISING FUNDS

| | NOTE | FOR THE YEAR ENDED 30 JUNE 2021 | FOR THE YEAR ENDED 30 JUNE 2020 |
|------------------------------|------|---------------------------------|---------------------------------|
| | | £'000 | £'000 |
| Direct Costs Excluding Staff | | 1,104 | 2,892 |
| Direct Staff Costs | | 1,531 | 1,830 |
| Apportioned Support costs | 9.9 | 941 | 855 |
| TOTAL | | 3,576 | 5,577 |

9.8 EXPENDITURE ON CHARITABLE ACTIVITIES

| | | FOR THE YEAR ENDED 30 JUNE 2021 | | | | FOR THE YEAR ENDED 30 JUNE 2020 | | | |
|-------------------------------------|------|---------------------------------|------------------------------|---------------|---------------|---------------------------------|------------------------------|---------------|---------------|
| | NOTE | RESTRICTED FUNDS | DESIGNATED FUNDS MOST NEEDED | GENERAL FUNDS | TOTAL | RESTRICTED FUNDS | DESIGNATED FUNDS MOST NEEDED | GENERAL FUNDS | TOTAL |
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Grant making | 9.8a | 33,874 | 5,102 | 633 | 39,609 | 31,326 | 3,667 | 557 | 35,550 |
| Child Ministry Costs | 9.8b | - | 2,866 | 2,435 | 5,301 | - | 2,681 | 2,022 | 4,703 |
| Compassion Ireland | | - | - | 86 | 86 | - | - | 68 | 68 |
| Field Experience | 9.8c | - | - | 48 | 48 | - | - | 243 | 243 |
| Furloughed Staff Salaries | | - | - | 281 | 281 | - | - | 263 | 263 |
| TOTAL CHARITABLE EXPENDITURE | | 33,874 | 7,968 | 3,483 | 45,325 | 31,326 | 6,348 | 3,153 | 40,827 |

9.8a GRANT MAKING

| | NOTE | FOR THE YEAR ENDED 30 JUNE 2021 | | | | FOR THE YEAR ENDED 30 JUNE 2020 | | | |
|---|------|---------------------------------|------------------------------|---------------|---------------|---------------------------------|------------------------------|---------------|---------------|
| | | RESTRICTED FUNDS | DESIGNATED FUNDS MOST NEEDED | GENERAL FUNDS | TOTAL | RESTRICTED FUNDS | DESIGNATED FUNDS MOST NEEDED | GENERAL FUNDS | TOTAL |
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Child Sponsorship | | 27,531 | - | - | 27,531 | 25,797 | 1,292 | - | 27,089 |
| Un-sponsored Children | | 86 | 1,854 | - | 1,940 | 88 | - | - | 88 |
| Project Sponsorship | | - | 135 | - | 67 | - | - | - | - |
| Gifts for Children and Families | | 2,700 | 9 | - | 2,709 | 2,097 | 2 | - | 2,099 |
| Gifts for Projects | | 305 | - | - | 305 | 221 | - | - | 221 |
| Christmas Appeal | | 906 | - | - | 906 | 865 | - | - | 865 |
| Interventions | | 697 | 29 | - | 726 | 370 | 318 | - | 688 |
| Disaster Relief | | 568 | 3,069 | - | 3,637 | 1,425 | 1,867 | - | 3,292 |
| Child Survival Interventions | | 691 | - | - | 691 | 230 | - | - | 230 |
| FCDO Child Survival Grant - Togo | | 248 | - | - | 248 | 103 | - | - | 103 |
| HIV/Aids Funds | | 68 | - | - | 68 | 73 | - | - | 73 |
| Other Funds | | - | - | - | - | 2 | - | - | 2 |
| TOTAL CHILD GRANTS TO COMPASSION INTERNATIONAL | (i) | 33,800 | 5,096 | - | 38,896 | 31,271 | 3,479 | - | 34,750 |
| Compassion Ireland Grant | | - | - | - | - | - | - | 18 | 18 |
| Compassion Norden and Germany Grants | | - | - | 25 | 25 | - | - | 33 | 33 |
| Other Grants | (ii) | - | 6 | - | 6 | - | 188 | - | 188 |
| TOTAL GRANTS | | 33,800 | 5,102 | 25 | 38,927 | 31,271 | 3,667 | 51 | 34,989 |
| Grant making support costs | 9.9 | - | - | 608 | 608 | - | - | 506 | 506 |
| FCDO Child Survival Grant - Togo | 9.9 | 74 | - | - | 74 | 55 | - | - | 55 |
| TOTAL COSTS OF GRANT MAKING | | 33,874 | 5,102 | 633 | 39,609 | 31,326 | 3,667 | 557 | 35,550 |

(i) Direct costs for child support and other child grants are grants for the benefit of children. Grants paid to Compassion International cover the grants to the projects, costs to run the field country and regional offices as well as programme costs at Compassion International.

(ii) Other grants include grants to organisations that support Compassion's mission.

9.8b CHILD MINISTRY COSTS

| | NOTE | FOR THE YEAR ENDED 30 JUNE 2021 | | | | FOR THE YEAR ENDED 30 JUNE 2020 | | | |
|-----------------------------------|-------|---------------------------------|------------------------------|---------------|--------------|---------------------------------|------------------------------|---------------|--------------|
| | | RESTRICTED FUNDS | DESIGNATED FUNDS MOST NEEDED | GENERAL FUNDS | TOTAL | RESTRICTED FUNDS | DESIGNATED FUNDS MOST NEEDED | GENERAL FUNDS | TOTAL |
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Child Ministry Costs | (iii) | - | 2,866 | - | 2,866 | - | 2,681 | - | 2,681 |
| Child Ministry Support Costs | 9.9 | - | - | 2,435 | 2,435 | - | - | 2,022 | 2,022 |
| TOTAL CHILD MINISTRY COSTS | | - | 2,866 | 2,435 | 5,301 | - | 2,681 | 2,022 | 4,703 |

(iii) Direct costs for child ministry are costs of supporting and providing information to child sponsors. This includes child letter postage and the proportion of facilities, IT and staff time allocated to supporting the relationship between the sponsor and the child.

9.8c FIELD EXPERIENCE COSTS

| | | FOR THE YEAR ENDED 30 JUNE 2021 | | | | FOR THE YEAR ENDED 30 JUNE 2020 | | | |
|-------------------------------------|-----|---------------------------------|------------------------------|---------------|-----------|---------------------------------|------------------------------|---------------|------------|
| | | RESTRICTED FUNDS | DESIGNATED FUNDS MOST NEEDED | GENERAL FUNDS | TOTAL | RESTRICTED FUNDS | DESIGNATED FUNDS MOST NEEDED | GENERAL FUNDS | TOTAL |
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Field Experience Direct Costs | | - | - | - | - | - | - | 157 | 157 |
| Field Experience Support Costs | 9.9 | - | - | 48 | 48 | - | - | 86 | 86 |
| TOTAL FIELD EXPERIENCE COSTS | | - | - | 48 | 48 | - | - | 243 | 243 |

Sponsors normally have the opportunity to visit projects and their sponsored children on Compassion Insight Trips. No trips have taken place since COVID-19 became a worldwide pandemic.

9.9 ANALYSIS OF SUPPORT COSTS

| | FOR THE YEAR ENDED 30 JUNE 2021 | | | | | |
|---------------------------|---------------------------------|--------------|----------------|------------------|--------------------------|---------------------|
| | RAISING FUNDS | GRANT MAKING | CHILD MINISTRY | FIELD EXPERIENCE | ADMINISTERING FCDO GRANT | TOTAL SUPPORT COSTS |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Facilities management | 77 | 20 | 81 | 10 | 3 | 191 |
| Information technology | 281 | 190 | 758 | 11 | 23 | 1,263 |
| Operations and finance | 133 | 59 | 236 | 2 | 8 | 438 |
| Support salaries | 439 | 320 | 1,281 | 25 | 38 | 2,103 |
| Audit and accounting fees | - | 5 | 21 | - | - | 26 |
| Governance and compliance | 11 | 14 | 58 | - | 2 | 85 |
| | 941 | 608 | 2,435 | 48 | 74 | 4,106 |

| | FOR THE YEAR ENDED 30 JUNE 2020 | | | | | |
|---------------------------|---------------------------------|--------------|----------------|------------------|--------------------------|------------------|
| | RAISING FUNDS | GRANT MAKING | CHILD MINISTRY | FIELD EXPERIENCE | ADMINISTERING FCDO GRANT | FIELD EXPERIENCE |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Facilities management | 98 | 24 | 91 | 15 | 4 | 232 |
| Information technology | 260 | 107 | 429 | 20 | 13 | 829 |
| Operations and finance | 80 | 64 | 256 | 1 | 6 | 407 |
| Support salaries | 417 | 300 | 1,198 | 50 | 31 | 1,996 |
| Audit and accounting fees | - | 3 | 14 | - | - | 17 |
| Governance and compliance | - | 8 | 34 | - | 1 | 43 |
| | 855 | 506 | 2,022 | 86 | 55 | 3,524 |

All support costs are paid from unrestricted funds. Total support costs are allocated on the basis of staff time attributable to that cost centre.

9.10 STAFF COSTS

| | FOR THE YEAR ENDED 30 JUNE 2021 | FOR THE YEAR ENDED 30 JUNE 2020 |
|--|---------------------------------|---------------------------------|
| | £'000 | £'000 |
| Wages and salaries | 4,208 | 4,184 |
| Payments to defined contribution pension schemes | 444 | 439 |
| Social security costs | 420 | 438 |
| Health insurance and other HR costs | 102 | 124 |
| | 5,174 | 5,185 |
| Job Retention Scheme Grant Income | 280 | 264 |

| | FOR THE YEAR ENDED 30 JUNE 2021 | FOR THE YEAR ENDED 30 JUNE 2020 |
|--|---------------------------------|---------------------------------|
| | FTE | FTE |
| Management | 5 | 5 |
| Support and administration | 27 | 27 |
| Supporter relations | 40 | 33 |
| Fundraising and communications | 57 | 58 |
| Grant Management | 1 | 1 |
| | 130 | 124 |
| Percentage increase in staffing levels | 5% | 24% |

| | FOR THE YEAR ENDED 30 JUNE 2021 | FOR THE YEAR ENDED 30 JUNE 2020 |
|---|---------------------------------|---------------------------------|
| AVERAGE NUMBER OF EMPLOYEES (HEADCOUNT) | 152 | 152 |
| THE NUMBER OF EMPLOYEES WHOSE REMUNERATION FOR THE PERIOD FELL WITHIN THE FOLLOWING BANDS: | | |
| £60k up to £70K | 3 | 3 |
| £70k up to £80K | 2 | 1 |
| £100K up to £110K | 1 | 1 |

Compassion is grateful to have received funds from the Job Retention Scheme which were used to pay the salaries of staff who were temporarily unable to perform their duties due to COVID-19 restrictions.

- Pension contributions of £44,000 [FY20: £37,000] were made during the year for the above higher paid staff.
- The company operates a defined contribution pension scheme on behalf of its employees. The pension charge for the year was £434,000 [FY20: £369,000], of which £40,000 [FY20: £42,000] was payable at the year end.
- The five key management personnel are listed on page 32. The total employee remuneration, including National Insurance and benefits, of the key management personnel of the charity was £469,000 [FY20 £461,000].
- During the year £3,000 [FY20 £29,000] of redundancy costs were incurred.

9.11 TRUSTEES' REMUNERATION

No Trustees remuneration was voted during the year.

No Trustees expenses were paid in the year (FY20 £1,400).

The total premiums paid for trustee indemnity insurance in the year were £1,000 (FY20 £1,000).

9.12 FIXED ASSETS

| | TANGIBLE ASSETS | | | | INTANGIBLE ASSETS | |
|----------------------------------|-------------------------------------|----------------------|-------------------|----------------------|-------------------|----------------------|
| | FURNITURE, FIXTURES AND PLANT | COMPUTER HARDWARE | MOTOR VEHICLES | FREEHOLD PROPERTY | TOTAL | COMPUTER SOFTWARE |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| COST | | | | | | |
| Balance at 1 July 2020 | 412 | 319 | 62 | 3,656 | 4,449 | 1,245 |
| Additions for the year | - | - | 41 | - | 41 | - |
| Disposals for the year | (26) | (22) | (62) | - | (110) | (2) |
| BALANCE AT 30 JUNE 2021 | 386 | 297 | 41 | 3,656 | 4,380 | 1,243 |
| DEPRECIATION/AMORTISATION | | | | | | |
| Balance at 1 July 2020 | 120 | 184 | 41 | 109 | 454 | 1,244 |
| Disposals for the year | (25) | (22) | (41) | - | (88) | (2) |
| Depreciation for the year | 41 | 71 | 3 | 52 | 167 | 1 |
| BALANCE AT 30 JUNE 2021 | 136 | 233 | 3 | 161 | 533 | 1,243 |
| NET BOOK VALUE | | | | | | |
| At 1 July 2020 | 292 | 135 | 21 | 3,547 | 3,995 | 1 |
| At 30 June 2021 | 250 | 64 | 38 | 3,495 | 3,847 | - |

9.13 DEBTORS

| | AS AT 30 JUNE 2021 | AS AT 30 JUNE 2020 |
|-------------------------------------|--------------------|--------------------|
| | £'000 | £'000 |
| Compassion Ireland | 36 | 128 |
| Gift Aid reclaimable | 1,150 | 440 |
| Other debtors and grants receivable | 77 | 337 |
| Prepayments | 377 | 232 |
| | 1,640 | 1,137 |

9.14 CURRENT ASSET INVESTMENTS

| | AT 30 JUNE 2021 | AT 30 JUNE 2020 |
|-----------------------------|-----------------|-----------------|
| | £'000 | £'000 |
| Cash held on 95 day deposit | 4,000 | - |
| | 4,000 | - |

9.15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | | AS AT 30 JUNE 2021 | AS AT 30 JUNE 2020 |
|------------------------------------|------|--------------------|--------------------|
| | | £'000 | £'000 |
| Compassion International | | 3,722 | 4,137 |
| Deferred income | 9.17 | 193 | 163 |
| Trade creditors | | 546 | 516 |
| Accruals | | 1,025 | 472 |
| Other taxation and social security | | 99 | 106 |
| Pension contributions outstanding | | 41 | 42 |
| | | 5,626 | 5,436 |

9.16 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | | AS AT 30 JUNE 2021 | AS AT 30 JUNE 2020 |
|-----------------|------|--------------------|--------------------|
| | | £'000 | £'000 |
| Deferred income | 9.17 | 49 | 52 |

9.17 DEFERRED INCOME

| | | AS AT 30 JUNE 2021 | AS AT 30 JUNE 2020 |
|--|--|--------------------|--------------------|
| | | £'000 | £'000 |
| DEFERRED INCOME BROUGHT FORWARD | | 215 | 213 |
| Deferred income released in the year | | (163) | (151) |
| Income deferred in the year | | 190 | 153 |
| DEFERRED INCOME CARRIED FORWARD | | 242 | 215 |

Deferred income represents child sponsorship received in advance

9.18 RESTRICTED FUNDS

| | BALANCE AT 1 JULY 20 | RESTRICTED INCOME | TRANSFER | RESTRICTED EXPENDITURE | BALANCE AT 30 JUNE 21 |
|----------------------------------|----------------------|-------------------|----------|------------------------|-----------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Child Sponsorship | - | 27,531 | - | (27,531) | - |
| Un-sponsored Children | - | 86 | - | (86) | - |
| Gifts for Children and Families | - | 2,700 | - | (2,700) | - |
| Gifts for Projects | - | 307 | - | (305) | 2 |
| Christmas Appeal | - | 906 | - | (906) | - |
| Interventions | 295 | 596 | (93) | (697) | 101 |
| Disaster Relief | - | 475 | 293 | (568) | 200 |
| Child Survival Programme | 843 | 261 | 280 | (691) | 693 |
| FCDO Child Survival Grant - Togo | - | 322 | - | (322) | - |
| HIV/Aids Funds | - | 68 | - | (68) | - |
| Sponsorship Plus | - | 480 | (480) | - | - |
| TOTAL | 1,138 | 33,732 | - | (33,874) | 996 |

| | BALANCE AT 1 JULY 19 | RESTRICTED INCOME | TRANSFER | RESTRICTED EXPENDITURE | BALANCE AT 30 JUNE 20 |
|----------------------------------|----------------------|-------------------|----------|------------------------|-----------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Child Sponsorship | 2 | 25,795 | - | (25,797) | - |
| Un-sponsored Children | - | 88 | - | (88) | - |
| Gifts for Children and Families | 5 | 2,092 | - | (2,097) | - |
| Project Gifts | - | 221 | - | (221) | - |
| Christmas Appeal | 1 | 864 | - | (865) | - |
| Interventions | 280 | 637 | (252) | (370) | 295 |
| Disaster Relief | 19 | 701 | 705 | (1,425) | - |
| Child Survival Programme | 881 | 192 | - | (230) | 843 |
| FCDO Child Survival Grant - Togo | - | 158 | - | (158) | - |
| Leadership Development Programme | - | 2 | - | (2) | - |
| HIV/Aids Fund | - | 73 | - | (73) | - |
| Sponsorship Plus | - | 453 | (453) | - | - |
| TOTAL | 1,188 | 31,276 | - | (31,326) | 1,138 |

PURPOSE OF RESTRICTED FUNDS

CHILD SUPPORT

To relieve poverty amongst sponsored children.

UNSPONSORED CHILDREN

To support children registered in the programme, but awaiting sponsorship.

GIFTS FOR CHILDREN AND FAMILIES

To bless the child or their family with additional gifts.

GIFTS FOR PROJECTS

To bless a church project with additional resources.

CHRISTMAS APPEAL

To provide a present and a celebration for each child.

INTERVENTIONS

To meet vital needs outside of what sponsorship covers. £93,000 of grants made in prior years were funded by donors in the year. This released funds that were repurposed for disaster relief.

DISASTER RELIEF

Critical relief for sponsored children and their projects, including reconstruction.

CHILD SURVIVAL INTERVENTIONS

Pre and post-natal care for mothers and babies.

HIV AND AIDS FUND

To support sponsored children and their families affected by HIV and AIDS.

SPONSORSHIP PLUS

Additional support for beneficiaries. To address critical needs of children around the world, including Child Survival interventions, medical emergencies, disaster relief and preventative health. During the year £480,000 was transferred to other appropriate restricted funds. £200,000 was transferred to disaster relief and £280,000 to child survival.

FCDO CHILD SURVIVAL GRANT TOGO

Pre and post-natal care for mothers and babies and UK costs of administering the grant.

9.19 RELATED PARTY TRANSACTIONS

During the year there were no related party transactions.

9.20 LEASING COMMITMENTS

At 30 June 2021 the total of the charity's future minimum lease payments under non-cancellable operating leases was:

| | AS AT 30 JUNE 2020 | | | AS AT 30 JUNE 2021 | | |
|-------------------------|--------------------|-----------|------------|--------------------|-----------|------------|
| | CARS | OTHER | TOTAL | CARS | OTHER | TOTAL |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Less than one year | 47 | 12 | 59 | 44 | 16 | 60 |
| Two to five years | 40 | 5 | 45 | 54 | 17 | 71 |
| Greater than five years | - | - | - | - | - | - |
| | 87 | 17 | 104 | 98 | 33 | 131 |

During FY20 some ordinarily non-cancellable operating leases were ended with mutual agreement due to the COVID-19 pandemic.

During the year, £61,000 of lease payments were recognised as an expense [FY20 £773,000].

9.21 ANALYSIS OF NET ASSETS BETWEEN FUNDS

This analysis shows the fund balances at year-end split into tangible fixed assets and net current assets. The analysis also shows the Restricted and Unrestricted Funds in these categories.

| | AS AT 30 JUNE 2021 | | | | AS AT 30 JUNE 2020 | | | |
|------------------------------|--------------------|--------------------|--------------------------------------|--------------|--------------------|--------------------|--------------------------------------|--------------|
| | FIXED ASSETS | NET CURRENT ASSETS | LIABILITIES FALLING DUE AFTER 1 YEAR | TOTAL 2021 | FIXED ASSETS | NET CURRENT ASSETS | LIABILITIES FALLING DUE AFTER 1 YEAR | TOTAL 2020 |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Restricted Funds | - | 996 | - | 996 | - | 1,138 | - | 1,138 |
| Designated Funds Most Needed | - | 93 | - | 93 | - | 442 | - | 442 |
| General Funds | 3,847 | 2,816 | (49) | 6,614 | 3,996 | 244 | (52) | 4,188 |
| | 3,847 | 3,905 | (49) | 7,703 | 3,996 | 1,824 | (52) | 5,768 |

9.22 TAXATION

Compassion UK is a charity and is entitled, for the current year, to the exemptions provided by Chapter 3 of Part 11 of the Corporation Tax Act 2010. As a consequence, no provision for taxation is regarded as necessary.

REFERENCES AND ADMINISTRATIVE DETAILS

**REGISTERED CHARITY NO. 1077216 (ENGLAND AND WALES)
SC045059 (SCOTLAND) COMPANY NUMBER 03719092**

COMPANY SECRETARY

Amy Hiorns (née Carter)

REGISTERED AND PRINCIPAL OFFICE

Compassion House, Barley Way, Fleet, GU51 2UT

AUDITORS

Menzies LLP, Centrum House, Station Road, Egham, TW20 9LF

SOLICITORS

Barlow Robbins LLP, The Oriel, Sydenham Road, Guildford, Surrey, GU1 3SR

BANKERS

Barclays Bank PLC

Tunbridge Wells Group



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