

Company Registered Number: 3933420  
Charity Registered Number: 1081384

**CHAIN OF HOPE**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDING 31<sup>ST</sup> MARCH 2018**

**CHAIN OF HOPE  
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**CHAIN OF HOPE  
CHAIN OF HOPE TRUSTEES REPORT  
FOR THE YEAR ENDING 31<sup>st</sup> MARCH 2018**

**LEGAL AND ADMINISTRATIVE SUMMARY**

**Nature of governing instrument**

Chain of Hope is a Company Limited by Guarantee, Registration Number 3933420 and a Registered Charity, Number 1081384. The Charity was established as a Trust in 1995 and was then incorporated as a Company Limited by Guarantee in February 2000. It is governed by its Memorandum and Articles of Association.

**Honorary President**

Her Royal Highness Princess Haya Bint Al Hussein

**President**

Professor Sir Magdi Yacoub OM FRS

**Vice President**

Professor Marc de Leval

**Honorary Vice Presidents**

Countess Noemi Marone Cinzano

Mrs Sherine Sawiris

Mrs Dina Nassif

Princess Chantal of Hanover

**Ambassadors**

Ms Alexandra Burke

Mr Omid Djalili

Mr Rupert Everett

Ms Kimberley Garner

Mrs Fiona Hawthorne

Ms Ulrika Johnson

Ms Felicity Kendell

Mr Lemar Obika

Mr Colin Salmon

**Trustees**

Dr Gavin Wright – Chairman

Mr Richard Gawthorne (Resigned, 31<sup>st</sup> August 2017)

Mr Noel O' Brien (Acting since December 2018 and Appointed 23<sup>rd</sup> March 2018)

Professor Marc de Leval

Dr Alan Magee

Professor Victor Tsang

Professor Sir Magdi Yacoub OM FRS

Ms Joanna McDwyer

Mr Jonathan Danos MBE

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

**Chief Executive Officer**

Miss Emma Scanlan

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**LEGAL AND ADMINISTRATIVE SUMMARY (CONTINUED)**

**Registered Office**

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

**Bankers**

Lloyds TSB  
Kings Road  
Chelsea  
London SW3

**NatWest Bank plc**

183b Kings Road  
Chelsea  
London  
SW3 5EB

**Auditors**

Moore Stephens (South) LLP  
Chartered Accountants  
Priory House  
Sydenham Road  
Guildford  
GU1 3RX

**Solicitors**

Russell-Cooke Solicitors  
2 Putney Hill  
London  
SW15 6AB



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**CHARITY OBJECTS**

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

**PUBLIC BENEFIT**

The Trustees confirm that the target beneficiary group is within Public Benefit as the services are ultimately aimed at any patients who are in the public health systems of the countries where Chain of Hope works.

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

**MISSION STATEMENT**

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

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

**BACKGROUND**

There is an increasing realisation that the lack of facilities for sustainable paediatric cardiac services in the developing world results in great suffering and a massive number of deaths, both of which are preventable. It is estimated that 15 million children die or are crippled annually by potentially treatable or preventable cardiac diseases.

**OBJECTIVES AND ACTIVITIES**

Chain of Hope aims to address the surgical inequality of these cardiac children around the world. As part of this goal, Chain of Hope is assisting the establishment of cardiac services and facilities in countries where they do not exist.

The charity has four main activities:

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

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**ACHIEVEMENTS AND PERFORMANCE**

**Summary of Activity in the financial year to 31<sup>st</sup> March 2018**

We continued working towards our goal of achieving high quality care for children around the world as well as developing cardiac services and developing infrastructure to enable more children to be treated locally.

A total of 18 missions were mobilised and overall a total of 372 procedures were conducted through the charity's team of specialist volunteers during the year. Of this total, 235 procedures were conducted through the 18 missions directly with 87 procedures being facilitated through local surgical and interventional catheterisation programmes. A total of 50 procedures were conducted through the charity's international referral programme at the highly reduced prices negotiated by the charity with world class international hospitals throughout Europe and the UK.

During the first half of this financial year, two cardiac centres reached milestones towards the ultimate goal of establishing sustainable cardiac services in the countries, in which we work.

1. Firstly, in June 2017, the Cardiac Centre of Ethiopia newly trained local team performed their first ever open heart surgery without assistance from an overseas mission. The team has been trained overseas through Chain of Hope and partner charity, the Friends of the Children's Heart Fund of Ethiopia and are now a complete team able to conduct certain procedures on their own. This is a major step forward for the Cardiac Centre of Ethiopia.
2. Then later in the year, in November 2017, the long-awaited Jamaican Children's Heart Centre finally opened its door with the first surgical operations. With the assistance of a Chain of Hope surgical team to support the local team, the first 7 patients were treated in this first ever paediatric cardiac centre for Jamaica.
3. A further major achievement was the continued success of our Annual Gall Ball which reached new heights raising a gross of £2.8 million and reaching a further new audience who are supporting Chain of Hope. Plans for the Gala for 2018 are already well underway.

	MISSION	SURGEON/ CARDIOLOGIST	Surge ry	Interventi onal Cath	Diagnos tics	Total Procedures	Mortal ity
<u>1</u>	Ethiopia April	Denis Bouchard/Gyaandeo Maharajh	19	0	0	19	0.00%
		Joaquim Miro	0	15	3	18	5.56%
<u>2</u>	Mozambique June	Carin Van Doorn	10	0	0	10	0.00%
<u>3</u>	Ethiopia July	Magdi Yacoub/Ahmed Afifi	18	0	0	18	0.00%
		Ahmed El Guindy	0	21	2	23	0.00%

<b><u>4</u></b>	Jordan Aug i	Mark Turrentine	14	0	0	14	0.00%
		Shak Qureshi	0	1	0	1	0.00%
<b><u>5</u></b>	Jordan Aug ii	Vibeke Hjortdal	9	0	0	9	0.00%
<b><u>6</u></b>	Uganda Sept	Shakeel Qureshi	0	14	1	15	6.67%
<b><u>7</u></b>	Ethiopia Nov	Tomasa Centella	17	0	0	17	5.88%
<b><u>8</u></b>	Jordan Nov	Mark Turrentine	8	0	0	8	0.00%
<b><u>9</u></b>	Jamaica Nov	Vibeke Hjortdal/Victor Tsang	3	0	0	3	0.00%
<b><u>10</u></b>	Jamaica Dec	Egil Seem	4	0	0	4	0.00%
<b><u>11</u></b>	Uganda Dec	Pranava Sinha	10	0	0	10	0.00%
<b><u>12</u></b>	Jamaica Jan	Sherard Little	4	0	0	4	0.00%
<b><u>13</u></b>	Ethiopia Jan	Shakeel Qureshi	0	10	2	12	0.00%
<b><u>14</u></b>	Uganda Feb	Dr. Lucas Lodi and Dr. Carminha Nunez	0	3	0	3	0.00%
<b><u>15</u></b>	Uganda March	Dr Suleiman Lubega	1	11	5	17	0.00%
<b><u>16</u></b>	Jordan March	Mark Turrentine	10	2	0	12	0.00%
<b><u>17</u></b>	Ethiopia March	Hasnat Khan	6	0	0	6	0.00%
<b><u>18</u></b>	Ethiopia March	Jonathan Clague	0	12	0	12	0.00%
<b><u>Screening</u></b>	Sierra Leone July	Tom Mukasa	0	0	0	0	0.00%
<b><u>Screening</u></b>	Gambia	Giselle Rowlinson	0	0	0	0	0.00%
<b><u>Local</u></b>	Uganda	Dr Suleiman Lubega	0	69	11	80	0.00%
<b><u>Local</u></b>	Ethiopia	Dr Ali Daoud	0	7	0	7	0.00%
			<b><u>133</u></b>	<b><u>165</u></b>	<b><u>24</u></b>	<b><u>322</u></b>	<b><u>0.93%</u></b>

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

**Ethiopia**

As indicated above, in July 2017, the Ethiopian Surgeons who have been training in Bangalore Narayana Health City, returned to the Cardiac Centre of Ethiopia full time and were able to conduct the first open heart surgery without support from an international team or experts. Since their return to the CCE, the local cardiac team have performed over 100 local surgeries. This is a major milestone towards the end goal of setting up sustainable centres.

Chain of Hope helped the Children's Heart Fund of Ethiopia establish this first ever cardiac surgical centre in 2009 by equipping two cardiac theatres and a brand new cardiac intensive care unit. Since that time numerous experts and teams have conducted missions through Chain of Hope and other charities, helping over 2000 children to be treated in their home country rather than having to go abroad.

Simultaneously local healthcare professionals were receiving training both abroad and on site at the cardiac centre, and now a full complement of staff is employed by the centre and able to perform routine surgical and interventional cardiac procedures.

Expertise is still required to continue this development, and to enhance the skills learnt by the Ethiopian team during their training. Learning continues in the form of onsite teams being mobilised to the centre to support the Ethiopian professionals in their development and treatment of further children.

A total of six training teams were funded by Chain of Hope during this financial year treating a total of 139 patients during these visits. In addition, Chain of Hope supported the local team to do procedures by donating catheter devices to be able to further treat 7 patients.

**Refugee Treatment Missions to Jordan**

During this last financial year, we supported the Riley Children's Hospital team led by Dr Mark Turrentine to perform four humanitarian missions to Jordan. These missions aim to focus on the displaced populations of refugees of Iraqi, Syrian and Palestinian origin. A total of 44 procedures were conducted in collaboration with our correspondent charity on the ground locally in Jordan, namely 'Gift of Life Amman' and through support of Rotary grants with Gift of Life International and Gift of Life Indianapolis.

These missions are slightly different in nature of activity in that the charity supports the cost of the children's operations through Al Khalidi hospital in Jordan, whilst the responsibility of the delivery of medical care is managed through Dr Turrentine and shared with his team from Riley children's hospital. We are very proud to work with Dr Turrentine who is an exceptional cardiac surgeon and a philanthropist.

**Jamaica**

During this financial year, Chain of Hope managed the acquisition and installation of equipment for the operating theatre and cardiac intensive care unit for the first phase of opening the new Jamaica Children's Heart Centre.

Chain of Hope's equipment Co Ordinator, Jilliane Lewis and Chain of Hope's Biomedical engineering team led by Dr Yoseph Mebrate organised all of the equipment specifications and liaison with the manufacturers to ensure the equipment was of the highest standard and came with servicing contracts for the new unit. The equipment was purchased utilising funds from partners in the project who included Rotary clubs from all over the USA and Jamaica as well as Gift of Life International and many other local charities and donors.

Once the equipment was installed, the unit was assessed by the local government officials and clinicians and clearance to proceed with clinical activity granted in November 2017.

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The soft opening of the Jamaican children's Heart Centre was then marked with a two week 'mission' where Chain of Hope flew in international experts to work alongside the local team to perform the first ever open-heart surgeries in the new dedicated cardiac unit.

The second phase of opening will be the installation of the long-awaited catheter lab which is anticipated for autumn 2018.

**Aswan**

Chain of Hope has continued to support the excellent work of the Aswan Heart Centre who have carried out over 3,000 procedures this year.

In addition to this, Chain of Hope has continued to donate vital Cardioplegia solution which is required for each open-heart surgery conducted at the centre, as well as some other pharmaceutical items.

In February 2018, as part of the dedication to ongoing support and development of personnel at the AHC, Chain of Hope organised and sponsored a training placement for Dr Soha Romeih from the Aswan Heart Centre, who participated in the Cardiac Morphology Course at Imperial College, London.

**Uganda**

In 2017 we supported four missions to the Uganda Heart Institute. Two of these missions were organised through Chain of Hope directly, treating 32 patients.

In addition, Chain of Hope supported two further teams from the USA to the Uganda Heart Institute who treated a further 13 patients.

Additionally, the UHI team to carry out 80 local interventional procedures as a result of a joint Chain of Hope and Gift of Life/Rotary Grant totalling \$125,000 of which Chain of Hope contributed \$50,000.

This brings the total number of Ugandan patients helped by Chain of Hope to 125 during this financial year.

**Mozambique**

We continued to support the Mozambique Heart Institute with a teaching and training visit from our specialist medical and surgical team. During this mission a total of 10 patients were treated.

The local Mozambican team operated on 100 patients through the year autonomously.

Once again this is a great indicator of the wider impact of our work, resulting in local teams being able to work independently.

**Outreach Clinics**

During the financial year, we continued with our annual outreach clinic to screen patients in Gambia to assist the local referring organisation, the Medical Research Council (MRC) with cardiology knowledge. A total of 141 patients were screened by volunteer consultant Giselle Rowlinson of the Royal Brompton Hospital.

A new screening clinic was also set up in partnership with the Royal College of Paediatrics and Child Health in Freetown, Sierra Leone. Dr Tom Mukasa accompanied by deputy Children Referral Manager Jennie Wightman visited the Royal College of Paediatrics project in Freetown, where 36 patients were screened.

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**Learning and Development**

Chain of Hope continued its partnership with the Interventional Cardiology Conference 'CSI Africa' which is modelled on a well-known European conference and which has been adapted for African cardiologists. Chain of Hope Sponsored Middle Eastern and African cardiologists to attend the conference and training workshops held in Nairobi, Kenya during November 2017.

A total of 9 cardiologists from Africa were assisted by Chain of Hope to attend CSI as part of their development, but also as an opportunity to network with other cardiac centres across the continent and to develop better communication within the field of cardiology. This is also an important forum for Chain of Hope to receive feedback from the countries attending the conference on Non-Government Organisation (NGO) collaboration in this field. This is therefore a learning forum for the Charity to ensure it is responding to the changing external environment as more and more cardiac services are emerging across the African continent. The importance of working as an African network is at the forefront of this initiative to maximise our effectiveness.

In addition to this, Chain of Hope continued its ongoing support and mentorship to key members of the cardiac teams in the countries we work. In Jamaica, this focussed on the development of the local Interventional Cardiology team in anticipation of the installation of the new bi-plane Catheter Lab funded by Chain of Hope and other international charities. Chain of Hope organised for a three-month training placement for the two new radiographers from Bustamante Hospital for Children who will be playing a key role as Radiographers in the new lab. The two trainees spent three months at Guys and St Thomas' Hospital NHS Foundation trust, completing a hands on, competency based training programme under the guidance of the head of Radiography. As well as this, we organised and sponsored the 'top up' training of the two interventional cardiologists, Dr Tamra Tomlinson Morris and Dr Sharonne Forrester, both of whom previously spent two years in London training with Chain of Hope at the Royal Brompton Hospital and 6 weeks intensive training at the Royal Brompton and Leeds General Infirmary. Finally, we also organised and sponsored the training of two Catheter Lab Nurses at Evelina Children's Hospital.

The first quarter of the financial year saw the completion of the yearlong training of staff from the Uganda Heart Institute at the Aswan Heart Centre. The 5 trainees (one anaesthetist, three intensive care nurses and one perfusionist) have now returned to their posts at UHI where the local team continue their programme of interventional catheter and surgical procedures.

Finally, we continued to sponsor the training of Haitian clinician, Dr Daphne Alce, and Ethiopian Intensivist, Dr Helen Befekadu at the Aswan Heart Centre.

**Future Plans**

**Objective 1:** To increase the number of children we treat.

- i) Our International Child Referral Programme to be able to treat 50 patients in the next financial year (last year was 44) and to include 10% of these patients as young adults up to the age of 30. As discussed earlier the plan is to try to develop new partnerships with new hospitals who may help increase the ICRP capacity in years to come and help maintain this branch of the charity's activity.
- ii) Through our missions, where we aim to increase the number, enabling us to treat 300 children in the next financial year. In the following years we aim to increase this to 350 in 2018/2019 and to 400 on missions in 2019/2020.

Continuing on the development of 'humanitarian missions' is an important part of our strategic objective to help all children in need in today's climate.

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A case example of our humanitarian work is our 'refugee missions' to Jordan to help Syrian, Palestinian and Iraqi patients. This project was started originally as a pilot project in 2015 with the aim of helping refugees, using Jordan as a 'hub' to perform the surgeries. This was extremely successful and so the project was expanded within the last year. This project will continue to grow in 2017/18 and we have started to partner with La Chaîne de L'Espoir in France on some of our missions to Jordan to help refugees. This is funded by the European Union. This is a strategic move for Chain of Hope's future in terms of both aligning ourselves with likeminded partners whilst accessing a new income stream in the form of a grant from the EU.

During the next financial year, we plan to extend our Jordan hub to treat refugees by supporting a mission to Lebanon

**Lebanon**

Chain of Hope has been approached by Riley Children's Hospital and Gift of Life Lebanon to collaborate to help children from the refugee community in Lebanon. Focused primarily on operating on Syrian children from refugee camps, Chain of Hope has been asked to recruit and sponsor a post-operative team for a mission to Sidon, led by Dr Mark Turrentine, who leads the joint project in Jordan. The mission is due to take place in May 2018 at Hammoud Hospital, where Chain of Hope has previously conducted missions.

**Objective 2:** Continue to improve cardiac services and build capacity in the existing projects in local countries where we are invited to work.

This objective includes developing plans for existing projects as well as developing cardiology and other cardiac services in countries where they are minimal or non-existent. In existing projects, a list of individual objectives were drawn up for each country according to need.

**Objective 3:**

Developing the Charity's Geographical area:

The charity will also continue to identify and develop into one new region or country each year to keep the charity attaining its mission of helping more children with heart disease and to keep the charity dynamic and reaching further heights.

The Trustees have set up a working group to look at the different countries that are requesting help from Chain of Hope and assess whether they fit the criteria laid out by the Trustees.

**Objective 4:**

To develop different revenue streams for the charity with the goal of enabling sustainability for the charity's funding alongside the ever-growing success of the Gala Ball.

During 2017/18, we have invested in new skill sets to commence Corporate and Trust fundraising income streams as well as beginning to embed legacy fundraising into all aspects of our fundraising and communications. Although legacies take longer for a return on investment, Legacy fundraising is a major source of income for most major charities, which we must start to develop more proactively. Major donor fundraising is also being currently reviewed as it has been identified as an important and 'warm' opportunity for the charity to develop funds outside of the Ball.

This will enhance our ability to support the planned expansion of our fundraising activities and analysis, creating better retention of donors and a platform from which to grow our existing donors and develop new ones.



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CHAIN OF HOPE TRUSTEES REPORT (CONTINUED)  
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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

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

The Board of Trustees are responsible for the governance and financial management of the Charity. Board meetings are held quarterly. Trustees decide and agree policy and approve a framework for the charity's delivery of activities. Day to day management is delegated to the Chief Executive Officer.

Two of the current Trustees have been involved with Chain of Hope since its creation in 1996. Over the last two years the Trustees have made a commitment to diversify the Board's expertise and to that end two new non-medical Trustees were appointed in 2016.

A new Trustee joined the board this financial year, Mr Noel O' Brien, who was recruited as Treasurer in October 2017. Mr O' Brien was formally appointed as a Trustee on 23<sup>rd</sup> March 2018. Noel is a chartered accountant with fifteen years' experience, both within Big 4 audit practice and the financial services sector within the UK and on an International basis. Noel is currently employed by Aviva as Group director of Governance and Transformation, bringing with him a vast amount of financial expertise that will be beneficial to Chain of Hope.

**Personnel**

We have developed a senior management tier to help management structure and streamline further the process of management. Pay scales are worked out according to management or administration levels within the organisation, with consideration given to performance review and length of service. Performance reviews are conducted annually, but a continual look at objectives occurs through the year. The Chief Executive Officer's performance and remuneration are reviewed annually by the Chairman and Treasurer. These are benchmarked against charitable organisations of a similar size and complexity. A review of the fundraising personnel and structure also took place in 2017 with a view to improving and diversifying income streams.

**Governance Advisory Committee**

During 2015 a Governance Advisory Committee was established. Its aim was to review activities across the charity to assess risk and recommend implementation of policies/guidelines or other frameworks required to mitigate and improve transparency and decision making. This group's responsibility has now been amalgamated into those of the Trustees and other Committees represented below. A Risk and Governance Committee is being established for 2018/2019 to look at risk in more detail.

**Quality Assurance and Missions Management Committee**

This group brings together members of the Medical Board, Nursing Board and the Chair of Trustees. The group is chaired by Professor Marc de Leval with a focus on quality and standards. This Committee reviews individual mission outcomes, screens new surgeons and physicians applying to join the Charity's missions to ensure membership is of the highest possible quality. It provides a forum in which lessons that the charity has learnt can be documented and systems and processes put in place to improve the future quality of service to our beneficiaries.

**Medical Board**

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

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



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**Nursing Board**

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

The Nursing Board members oversee training programmes in the countries where Chain of Hope works. The members of the Nursing Board have developed educational programmes and materials together with the executive.

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

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

The focus of this group is to review issues arising within the International Child Referral Programme, including management of the waiting list, child referral placements, host families and child support volunteers, and the housing and accommodation provisions for parents and guardians in relation to child protection in the UK and ICRP centres abroad.

MICROS monitors the individual child placements to ensure best practice.

**Host Family Approval Panel**

Mo O'Reilly also Chairs this independently recruited panel of professionals/advisors which review the Charity's applications from prospective carers volunteering to care for a child and relative during his or her stay in the UK, before and after heart surgery. This process mirrors fostering practice guidelines and is in line with 'best practice'. A new mentor for Host Families, Tom Narducci joined the panel in 2017.

**Ambassadors**

Chain of Hope has a group of Ambassadors who can represent the charity at public events for fundraising and public relations purposes. Many of these attend the Gala Ball and other CoH events.

**Volunteers**

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

**Partners**

One of the key strategic objectives of the Charity is to work with like-minded organisations to fulfil the charities objectives. As part of the long-term goal of developing cardiac services overseas, Chain of Hope partners with grant giving organisations as well as medical charities and medical institutions globally, thus ensuring that we are providing the very best expertise whilst not duplicating efforts.

Combining with several partners in a specific country helps leverage discussions with governments within the countries, enabling us to fulfil our objectives. For example, in Jamaica working with local Non-Government Organisations and partner Rotary International, the project has galvanised more support and thus attention from Government, as there are more parties involved in the end objective.

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**Grant Agreements**

As part of our ongoing review of governance, we have sought legal advice over the agreements we put in place with partners and where we organise 'shared' responsibility missions. We are now actively putting in place and negotiating 'grant agreements' where an agreement is drawn up with our partners, laying out our involvement and/or financial contribution towards a particular mission or project. The first of these with the Uganda Heart Institute was signed in July 2016.

**FUNDRAISING & MARKETING**

This year continued to see an increase in the amazingly successful annual fundraiser Chain of Hope organises in November each year.

The Gala Ball has continued to rival other charities with a very low cost to income ratio to income by comparison to others. This year it raised a colossal £2.8 million gross for the charity and entertained over 950 of the charity's major supporters. A staggering £1.5 million of these funds were raised through major pledges directly towards the activity of the charity to conduct its operations, mobilise missions and provision of equipment. The balance of income arose from a live and silent auction, sponsorship of the event and ticket sales.

We must credit the wonderful fundraising committee for their work on this huge event and for their connections for the sponsorship and prizes for the auction that generate so much income. A special thanks to chairs of the committee Dina Roushdi and Sherine Sawiris who are also Honorary Vice Presidents for the charity.

Our Carol concert followed this year's Gala Ball with a star-studded cast of readers to include Rod Stewarts' wife, model Penny Lancaster and Lord Jeffrey Archer. Held for the first time in Marylebone Parish Church, the charity welcomed its supporters for an end of year service, raising £7,642.

Other fundraising events during the year included Chain of Hope having runners in the London Marathon who raised £21,541, and new challenge event, the Royal Parks Half Marathon in Hyde Park, which raised a staggering £16,940! Plans are already afoot already with recruitment for runners to raise funds for the next Royal Parks Half Marathon.

A restructure of our fundraising team during the year recruited a new fundraiser, Lucy Baxter, who headed up a new department dedicated to the retention of major donors as well as identifying pathways for the much-needed diversification of income. Successes in this area include several new corporate donors as well as the implementation of a specialised fundraising database to streamline the fundraising processes and research into potential donors.

She is also overseeing the fundraising events programme, now all fundraising is streamlined through one team. This meant Lucy Baxter was promoted to overall fundraising manager who now presides over all fundraising processes and activities to ensure good practice, including the events programme. Our events manager was therefore made redundant during the year

Additionally, we employed our first communications Manager, Oroyo Eubanks who has streamlined the online marketing of the charity both to its existing major donors and supporters whilst also trying to reach new audiences. In line with our fundraising strategy we have made it easier for our donors and supporters to fundraise for us online through our website, Facebook and Instagram pages. We continue to actively engage and interact with our donors and supporters online through interesting content about the impact of our work and activities, reaching an average of 2,500 supporters daily on our social media platforms.

**CHAIN OF HOPE**  
**CHAIN OF HOPE TRUSTEES REPORT (CONTINUED)**  
**FOR THE YEAR ENDING 31<sup>st</sup> MARCH 2018**

**FINANCIAL REVIEW**

In the 12-month period to 31<sup>st</sup> March, total income amounted to £4,849,573, of which £3,282,494 was restricted in nature. A total of £3,717,938 funds was spent on charitable activity.

The ball once again produced the largest income with a gross figure of 2.8 million. This income comprises general donations and pledges for charitable activity. These are recorded in a separate category in the income.

Total GIKS amounted to £1,562,013, 32% of the overall income. These are largely comprised of the value donated by medical and healthcare professionals and hospitals. The goodwill from leading Cardiac healthcare professionals across the globe is a major contributor to the operational activity and capacity of the charity.

**RESERVES POLICY**

The Trustees have reviewed the reserves policy and have decided to increase the amount of reserves to £750k. This should reflect a six-month reserve of running costs for the general purpose of the charity.

**RISK MANAGEMENT**

The Trustees have considered Chain of Hope's exposure to risk and have introduced necessary control mechanisms to minimise this exposure. As with many charities, Chain of Hope is dependent on voluntary fundraising, the success of which cannot be easily forecast. The Board is focusing on plans with the CEO to diversify funding sources and investing in new streams of fundraising. A review of the risk to the charity such as medical malpractice has led to discussions around the establishment of a new company to deliver the service we provide. This will be processed in the coming year.

**STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS**

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

**CHAIN OF HOPE  
CHAIN OF HOPE TRUSTEES REPORT (CONTINUED)  
FOR THE YEAR ENDING 31<sup>st</sup> MARCH 2018**

**CONCLUSION**

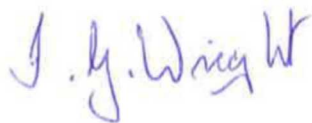
The past year has again seen a marked increase in activity and impact. More patients have been directly treated by Chain of Hope teams, but the true impact of our activity is shown in the increasing numbers of patients treated independently at centres that the Charity has helped to develop. This is a legacy to be proud of.

Plans are in place to develop further centres and relieve the enormous burden of cardiac disease in children, on families, health systems and society as a whole.

None of this is possible without money and volunteers. The heroes of our charity are our donors and fundraisers who enable all the above, and the hugest expression of thanks and admiration go out to them.

Our phenomenal Ball and Fundraising Committees organise one of the most unique and special events in London. I would like to personally thank all our committee members but especially our Chairs Dina Roushdi and Sherine Sawiris for their leadership and dedication.

We look forward to another year of successful growth.



**Gavin Wright**

**Chairman**

**CHAIN OF HOPE**  
**CHAIN OF HOPE TRUSTEES REPORT (CONTINUED)**  
**FOR THE YEAR ENDING 31<sup>st</sup> MARCH 2018**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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

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

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

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

## **CHAIN OF HOPE**

### **Independent Auditor's Report to the Trustees of Chain of Hope**

#### **Opinion**

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

#### **In our opinion the financial statements**

- \* give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- \* have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- \* have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

## **CHAIN OF HOPE**

### **Independent Auditor's Report to the Trustees of Chain of Hope**

#### **Other information**

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

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

We have nothing to report in this regard.

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

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

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

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities Statement set out on page 15, 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

## **CHAIN OF HOPE**

### **Independent Auditor's Report to the Trustees of Chain of Hope**

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

#### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Moore Stephens*  
**MOISE HASTINGS**  
**SENIOR STATUTORY AUDITOR**

**Moore Stephens (South) LLP**

Chartered Accountants  
Statutory Auditor

Priory House  
Pilgrims Court  
Sydenham Road  
Guildford  
Surrey GU1 3RX

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



## CHAIN OF HOPE

### Statement of Financial Activities (incorporating an income and expenditure account) For the Year Ended 31<sup>st</sup> March 2018

		Unrestricted	Restricted	2018 Total	2017 Total
	Note	£	£	£	£
<b>Income from:</b>					
Donations and legacies	3	755,088	3,282,494	4,037,582	3,980,860
Other trading activities	4	790,237	-	790,237	819,268
Investment income	5	21,754	-	21,754	26,376
Total income		1,567,079	3,282,494	4,849,573	4,826,504
<b>Expenditure on:</b>					
Raising funds	6	508,005	317,357	825,362	727,549
Charitable activities:					
Overseas Activities	6	796,838	1,805,124	2,601,962	4,079,740
International Child Referral Programme	6	65,962	1,050,014	1,115,976	961,912
Total expenditure		1,370,805	3,172,495	4,543,300	5,769,201
<b>Net income / (expenditure) before other recognised gains and losses</b>	7	196,274	109,999	306,273	(942,697)
Other gains / (losses)		(155,124)	-	(155,124)	200,721
Net movement in funds		41,150	109,999	151,149	(741,976)
<b>Reconciliation of funds:</b>					
Total funds brought forward		2,284,912	1,341,431	3,626,343	4,368,319
Total funds carried forward		2,326,062	1,451,430	3,777,492	3,626,343

All of the above results are derived from continuing activities.  
There were no other recognised gains or losses other than those stated above.  
The attached notes on pages 22-33 form part of these financial statements.

**CHAIN OF HOPE**  
**Balance Sheet**  
**As at 31<sup>st</sup> March 2018**

	Note	2018 £	2018 £	2017 £	2017 £
<b>Fixed assets:</b>					
Tangible assets	10		39,325		39,025
<b>Current assets:</b>					
Debtors	11	187,807		284,526	
Cash at bank and in hand		<u>4,862,456</u>		<u>4,559,567</u>	
		5,050,263		4,844,093	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	12	<u>(1,312,096)</u>		<u>(1,256,775)</u>	
<b>Net current assets / (liabilities)</b>			<u>3,738,167</u>		<u>3,587,318</u>
<b>Total assets less current liabilities</b>			<u>3,777,492</u>		<u>3,626,343</u>
<b>Total net assets / (liabilities)</b>			<u>3,777,492</u>		<u>3,626,343</u>
<b>Funds</b>	14				
Restricted funds			1,451,430		1,341,431
Unrestricted funds:					
General funds		<u>2,326,062</u>		2,284,912	
Total unrestricted funds			<u>2,326,062</u>		<u>2,284,912</u>
<b>Total funds</b>			<u>3,777,492</u>		<u>3,626,343</u>

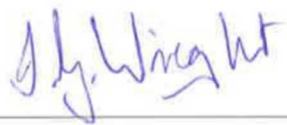
The financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

For the year ending 31st March 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. However, an audit is required in accordance with section 144 of the Charities Act 2011.

**Directors' responsibilities**

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

Approved by the trustees on 31.10.2018 and signed on their behalf by:

  
Gavin Wright  
Chairman

  
Noel O'Brien  
Treasurer and Trustee

Company Registered Number: 3933420  
Charity Registered Number: 1081384

**CHAIN OF HOPE**  
**Statement of Cash Flows**  
**For the year ended 31<sup>st</sup> March 2018**

	Note	2018 £	2018 £	2017 £	2017 £
<b>Net cash provided by / (used in) operating activities</b>	<b>16</b>		303,329		144,338
<b>Cash flows from investing activities:</b>					
Interest received		21,754		26,376	
Payments to acquire fixed assets		<u>(22,194)</u>		<u>(32,178)</u>	
			<u>(440)</u>		<u>(5,802)</u>
Change in cash and cash equivalent in the year			302,889		138,536
Cash and cash equivalent at the beginning of the year			4,559,567		4,421,031
<b>Cash and cash equivalent at the end of the year.</b>			<u><b>4,862,456</b></u>		<u><b>4,559,567</b></u>
<b>Cash and cash equivalent consists of:</b>					
Cash at bank and in hand			3,362,456		1,459,567
Short term deposits			<u>1,500,000</u>		<u>3,100,000</u>
<b>Cash and cash equivalent at 31st March 2018</b>			<u><b>4,862,456</b></u>		<u><b>4,559,567</b></u>

**CHAIN OF HOPE**  
**Notes to the Financial Statements**  
**For the Year Ended 31<sup>st</sup> March 2018**

**1. Accounting policies**

**a) Company Status**

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

**b) Basis of preparation**

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

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

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

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

**c) Going concern**

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

**d) Income**

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

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

Income from trading activities include tickets and sale of auction items at the Fundraising Ball.

**CHAIN OF HOPE**  
**Notes to the Financial Statements**  
**For the Year Ended 31<sup>st</sup> March 2018**

**1. Accounting Policies (continued)**

**d) Income (continued)**

Legacies are accounted for at the earlier of:

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

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

**e) Donations of gifts, services and facilities**

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

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

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

**f) Interest receivable**

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

**g) Fund accounting**

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

**h) Expenditure and irrecoverable VAT**

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

**CHAIN OF HOPE**  
**Notes to the Financial Statements**  
**For the Year Ended 31<sup>st</sup> March 2018**

**h) Expenditure and irrecoverable VAT (continued)**

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

**i) Allocation of support costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Trusts artistic programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 6.

**j) Operating leases**

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

**k) Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £200. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

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

**l) Debtors**

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

**m) Cash at bank and in hand**

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

**n) Creditors and provisions**

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

**CHAIN OF HOPE**  
**Notes to the Financial Statements**  
**For the Year Ended 31<sup>st</sup> March 2018**

**o) Financial instruments**

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

**p) Pensions**

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

**q) Foreign currency**

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

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

**r) Taxation**

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

**s) Judgement and key sources of estimation uncertainty**

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

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

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

**CHAIN OF HOPE**  
**Notes to the Financial Statements**  
**For the Year Ended 31<sup>st</sup> March 2018**

**2. Detailed comparatives for the statement of financial activities**

	2017 Unrestricted £	2017 Restricted £	2017 Total £
<b>Income from:</b>			
Donations and legacies	548,767	3,432,093	3,980,860
Other trading activities	819,268		819,268
Investments	26,376	-	26,376
<b>Total income</b>	<u>1,394,411</u>	<u>3,432,093</u>	<u>4,826,504</u>
<b>Expenditure on:</b>			
Raising funds	435,649	291,900	727,549
Charitable activities:			-
Overseas activities	291,308	3,788,432	4,079,740
International child referral programme	152,653	809,259	961,912
<b>Total expenditure</b>	<u>879,610</u>	<u>4,889,591</u>	<u>5,769,201</u>
<b>Net income / expenditure</b>	514,801	(1,457,498)	(942,697)
Transfers between funds	(149,225)	149,225	-
<b>Net income / (expenditure) before other recognised gains and losses</b>	365,576	1,308,273	942,697
Other gains / (losses)	200,721	-	200,721
<b>Net movement in funds</b>	<u>566,297</u>	<u>(1,308,273)</u>	<u>(741,976)</u>
<b>Total funds brought forward</b>	<u>1,718,615</u>	<u>2,649,704</u>	<u>4,368,319</u>
<b>Total funds carried forward</b>	<u>2,284,912</u>	<u>1,341,431</u>	<u>3,626,343</u>



**CHAIN OF HOPE**  
**Notes to the Financial Statements**  
**For the Year Ended 31<sup>st</sup> March 2018**

**3. Income from donations and legacies**

	Unrestricted £	Restricted £	2018 Total £	2017 Total £
Gifts	755,078	1,697,681	2,452,759	1,936,260
Donated services	-	1,584,813	1,584,813	2,017,247
Legacies	10	-	10	27,353
	<u>755,088</u>	<u>3,282,494</u>	<u>4,037,582</u>	<u>3,980,860</u>

**4. Income from other trading activities**

	Unrestricted £	Restricted £	2018 Total £	2017 Total £
Fundraising Ball	782,608	-	782,608	808,675
Other fundraising activities	7,629	-	7,629	10,593
	<u>790,237</u>	<u>-</u>	<u>790,237</u>	<u>819,268</u>

**5. Income from investments**

	Unrestricted £	Restricted £	2018 Total £	2017 Total £
Bank interest	21,754	-	21,754	26,376
	<u>21,754</u>	<u>-</u>	<u>21,754</u>	<u>26,376</u>

**CHAIN OF HOPE**  
**Notes to the Financial Statements**  
**For the Year Ended 31<sup>st</sup> March 2018**

**6. Analysis of Expenditure**

	Basis of allocation	Cost of Raising Funds £	Overseas activities £	International Child referral Programme £	2018 Total £	2017 Total £
Staff costs	Direct	248,672	203,054	153,267	604,993	495,107
Direct costs	Direct	510,668	2,306,529	896,687	3,713,884	5,098,707
Grants made	Direct	-	26,357	-	26,357	42,892
Support costs	Office	66,022	66,022	66,022	198,066	132,495
<b>Total expenditure 2017/18</b>		<b>825,362</b>	<b>2,601,962</b>	<b>1,115,976</b>	<b>4,543,300</b>	<b>5,769,201</b>
<b>Total expenditure 2016/17</b>		<b>727,549</b>	<b>4,079,740</b>	<b>961,912</b>	<b>5,769,201</b>	<b>3,316,583</b>

Of the total expenditure, £1,370,805 was unrestricted (2016/17: £879,610), £3,172,495 was restricted (2015/16: £4,889,591).

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

Grants made during the financial year totalled £26,357, put towards a research grant into the follow up and incidence of Endomyocardial fibrosis in rural Mozambique.

This study is conducted by cardiologist Dr Ana Olga who Chain of Hope previously supported into research into this neglected disease. The grant was administered through the official research body of the Mozambique Institute for health Education and research, who in turn managed the grant payments to Dr Olga on Chain of Hope's behalf.

**7. Net Income / (Expenditure) for the year**

This is stated after charging / (crediting):	<b>2018</b> £	<b>2017</b> £
Operating lease rentals:		
Property	13,449	12,300
Other equipment	287	6,720
Depreciation	21,893	35,177
Auditor's remuneration:		
Audit fees	11,674	8,500
Accountancy services	1,885	2,849
Foreign exchange (gains) / losses	<u>155,124</u>	<u>(200,721)</u>

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

Staff costs were as follows:	<b>2018</b>	2017
	£	£
Salaries and wages	548,683	446,517
Social security costs	48,919	43,443
Employer's contribution to defined contribution pension schemes	<u>7,391</u>	<u>5,147</u>
	<u><b>604,993</b></u>	<u><b>495,107</b></u>

The following number of employees received employee benefits (excluding employer pension) during the year between:

	<b>2018</b>	2017
	No.	No.
£60,000 - £69,999	1	1

**Staff Numbers**

The average number of employees (head count based on number of staff employed) during the year was as follows:

	<b>2018</b>	2017
	No.	No.
Raising funds	7	4
Charitable activities	9	6
Support	2	4
Governance	<u>1</u>	<u>1</u>
	<u><b>19</b></u>	<u><b>15</b></u>

**9. Trustees and key management remuneration and expenses**

The total amount of employee benefits including pension contributions of the key management personnel was £73,520 (2016/17 £64,835)

The charity trustees were not paid nor did they receive any other benefits from employment with the Trust (2016/17: nil). Travel expenses totalling £92 (2016/17 £117) were reimbursed during the year to 1 trustees (2016/17: 2)

Insurance policies in respect of Trustee travel and Trustee professional indemnity have been taken out for the year ended 31 March 2018, at a cost of £618 and £658 respectively.

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**10. Tangible fixed assets**

	Fixtures and fittings £	Computer equipment £	Medical equipment £	Total £
<b>Cost</b>				
At the start of the year	25,995	35,714	126,972	<b>188,681</b>
Additions in year	12,746	9,448	-	<b>22,194</b>
Disposals in year	-	-	-	-
At the end of the year	<u>38,741</u>	<u>45,162</u>	<u>126,972</u>	<u><b>210,875</b></u>
<b>Depreciation</b>				
At the start of the year	12,648	24,339	112,669	<b>149,656</b>
Charge for the year	5,647	6,117	10,130	<b>21,894</b>
Eliminated on disposal	-	-	-	-
At the end of the year	<u>18,295</u>	<u>30,456</u>	<u>122,799</u>	<u><b>171,550</b></u>
<b>Net book value</b>				
<b>As at 31st March 2018</b>	<u>20,446</u>	<u>14,706</u>	<u>4,173</u>	<u><b>39,325</b></u>
As at 1st April 2017	<u>13,347</u>	<u>11,375</u>	<u>14,303</u>	<u><b>39,025</b></u>

All the above assets are used for charitable purposes.

**11. Debtors**

	2018 £	2017 £
Other Debtors	1,005	70,609
Prepayments	89,750	119,952
Accrued Income	97,052	93,965
Fair value at the end of the year	<u>187,807</u>	<u>284,526</u>

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**12. Creditors: amounts falling due within one year**

	2018 £	2017 £
Trade creditors	230,013	240,148
Donations Payable	882,603	882,603
Other creditors	24,096	13,374
Accruals	175,015	113,922
Other tax and social security	369	6,728
	<u>1,312,096</u>	<u>1,256,775</u>

Donations payable represent the outstanding instalments due on the purchase of the Catheter Lab to the Ministry of Health in Jamaica.

**13. Operating Leases**

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

Less than 1 year	Property 31st March 2018	31st March 2017	Equipment 31st March 2018	31st March 2017
£	6,150	6,150	3,000	15,035

**14. Movements in Funds**

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

Restricted funds in the year relate to:

**Overseas Activities:** Use is restricted to the country or region specified

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

**Medical equipment for mission use:** Use restricted to specific medical equipment

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

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**14. Movements in Funds (continued)**

<b>Movements in funds</b>	<b>As at 1st April 2017 Total Fund</b>	<b>Incoming resources &amp; gains</b>	<b>Outgoing resources</b>	<b>Transfers</b>	<b>As at 31st March 2018 Total Fund</b>
	£	£	£	£	£
<b>Restricted funds:</b>					
<i>Activities overseas</i>	-	-	-	-	-
Jamaica	-	11,500	11,500	-	-
Mozambique	-	400	400	-	-
Aswan	40,524	89,996	106,742	-	23,778
Ethiopia	29,774	100	29,874	-	-
Uganda	-	-	-	-	-
Gambia	2,221	-	2,221	-	-
Burundi	395,621	-	-	-	395,621
Jordan	-	3,699	3,699	-	-
Sierra Leone	-	731	731	-	-
<i>Child referral</i>					
Child Funding	354,998	849,084	1,050,014	-	154,068
<i>Medical equipment for mission use</i>	-	107,000	-	-	107,000
<i>Overseas Missions &amp; Development</i>	518,293	1,902,627	1,649,957	-	770,963
<i>Other donated services</i>	-	-	-	-	-
<i>Fundraising</i>	-	317,357	317,357	-	-
<b>Total restricted funds</b>	<b>1,341,431</b>	<b>3,282,494</b>	<b>3,172,495</b>	<b>-</b>	<b>1,451,430</b>
<b>General Funds</b>	<b>2,038,332</b>	<b>1,567,079</b>	<b>1,370,805</b>	<b>-</b>	<b>2,234,606</b>
Unrealised exchange gains	246,580	(155,124)	-	-	91,456
<b>Total unrestricted funds</b>	<b>2,284,912</b>	<b>1,411,955</b>	<b>1,370,805</b>	<b>-</b>	<b>2,326,062</b>
<b>Total funds including pension fund</b>	<b>3,626,343</b>	<b>4,694,449</b>	<b>4,543,300</b>	<b>-</b>	<b>3,777,492</b>

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**15. Analysis of net assets between funds**

	Unrestricted £	Restricted £	Total £
Fixed Assets	35,152	4,173	39,325
Cash and current investments	2,288,120	2,574,336	4,862,456
Other current assets / (liabilities)	2,790	(1,127,079)	(1,124,289)
<b>Total</b>	<b>2,326,062</b>	<b>1,451,430</b>	<b>3,777,492</b>

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

	2018 £	2017 £
<b>Net income / (expenditure) for the reporting period (as per the statement of financial activities)</b>	151,149	(741,976)
Depreciation	21,894	(26,376)
Interest, rent and dividends from investments	(21,754)	35,177
(Increase)/ decrease in debtors	96,719	(163,481)
Increase/ (decrease) in creditors	55,321	1,040,994
<b>Net cash provided by / (used in) operating activities</b>	<b>303,329</b>	<b>144,338</b>

**17. Related Party Transactions**

One of the trustees' daughters, Lisa Yacoub, is employed by the charity to manage the International Child Referral Programme and is employed under the same terms and conditions as all other employees.

Chain of Hope is a Corporate Board Member of Chain of Hope Jamaica. During the year Chain of Hope made donations for specific purposes of £141,257 (2017 - £32,941) in respect of the purchase of medical equipment and the funding of the business plan and executive Director of Chain of Hope Jamaica

Professor Sir Magdi Yacoub is Honorary Chairman of the Board of The Magdi Yacoub Foundation that set up and manages the Aswan Heart Centre (AHC). During the year ended 31st March 18, 13 (2017: 11) children were treated at AHC as part of the International Child Referral Programme (ICRP).

The donated services recorded in the accounts in respect of this is £71,500 (2017 - £55,550)