

HUMANITY FIRST

Registered Charity No. 1149693
Company No. 08253779

Unit 27, Red Lion Road, Red Lion Business Park
Surbiton, KT6 7QD

TRUSTEES REPORT AND AUDITED FINANCIAL
STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER
2019

Haines Watts Kingston
LLP Aissela, 46 High
Street Esher, Surrey
KT10 9QY

HUMANITY FIRST
Registered Charity No. 1149693

Unit 27, Red Lion Road, Red Lion Business Park
Surbiton, KT6 7QD

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HUMANITY FIRST

Registered Charity No. 1149693

Unit 27, Red Lion Road, Red Lion Business Park
Surbiton, KT6 7QD

Information

COMPANY NUMBER	8253779 (Registered with Companies House, England & Wales)
CHARITY NUMBER	1149693 (Registered with Charity Commission, UK)
GOVERNING DOCUMENT	Humanity First is governed by a Constitution. It is a registered charity with the Charity Commission and is an incorporated association.
MAIN OBJECTIVES	<p>(A) Emergency Relief To provide emergency relief to victims of natural and man made disasters in different parts of the world.</p> <p>Relief is provided irrespective of nationality, race, colour, creed or religion and is provided exclusively on humanitarian grounds.</p> <p>(B) Development Aid To provide development aid to those in need to enable them to acquire key skills so that they can achieve self-sufficiency. Currently, the main projects being undertaken by Humanity First are Global Health, Knowledge for Life, Water for Life, Food Security and Orphan Care. The particular areas where projects are being undertaken at present are Africa and Asia.</p>
REGISTERED OFFICE	27 Red Lion Business Park, Red Lion Road, Surbiton Surrey KT6 7QD
BANKERS	NatWest PLC
AUDITORS	Haines Watts Kingston LLP Aissela, 46 High Street Esher, Surrey, KT10 90Y
ORGANISATION	<p>Under the Board of Trustees, there is a management board chaired by Mr A Y Sayed. The Board monitors disasters all over the world and takes action after consulting with the Board of Trustees.</p> <p>In the event of a disaster a working committee for that particular disaster is appointed.</p> <p>The charity also has ongoing projects in developing parts of the world with a view to endow the indigenous population with vital skill so that they can develop self-sufficiency.</p>
TRUSTEES:	Mr R A Hayat Mr A Y Sayed Mr MM Ahmad Dr SM Ahmad Mr WB Atkinson Mr K K Edwards Dr S A Bhatti Mr M H Harter Mr BF Trawally Mr M Naeem

Humanity First
(A company limited by guarantee)
Report of the trustees (incorporating the director's report)
For the year ended 31 December 2019

The trustees present their report and the financial statements for the year ended 31 December 2019. The trustees, who are also the directors for the purpose of company law and who served during the year and up to the date of this report are set out on page 1.

Structure, governance and management

The Charity is constituted as a company limited by guarantee, and is therefore governed by its Memorandum and Articles of Association. New trustees are appointed in accordance with its Articles of Association. The charity provides continued opportunities of training of all trustees both internal and external. The Charity is organized so that the trustees meet regularly to manage its affairs. The trustees have delegated the management of day to day affairs to the chairman.

Public benefit reporting

The key objectives of the charity were attained during the year by continued support and assistance to the people who have suffered from effects of natural disasters. The charity also continued its sustained projects in the field of Disaster Response Preparedness Courses, Skills training, Medical training, Vocational Centers, Social uplifting, and Education.

The trustees state that they have complied with section 4 of the Charities Act 2006 with regards to public benefit guidance published by the commission.

Governance and internal control

The trustees actively review the major risks which the Charity faces on a regular basis and believe that maintaining reserves at current levels, combined with periodic review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions. The trustees have also examined other operational and business risks faced by the Charity and confirm that they have established systems to mitigate significant risks.

Objectives and activities

The Charity's objects are to provide immediate relief to people in those parts of the world who have been the victims of natural or man-made disasters. Relief is provided irrespective of nationality, race, colour, creed or religion. It is provided strictly on humanitarian grounds. To provide development aid to those in need in order to enable the beneficiaries to acquire key skills so that they can achieve self-sufficiency.

Achievements and performance

The charity continued to expand its service to the beneficiaries by enhancing support and exploring new avenues to maximize efficiency and impact.

Summary Report 2019

Humanity First was formally established in the UK in 1995, and now has registered operations in 53 countries across 6 continents. The majority of the management and staff are unpaid volunteers, and our administrative expenses are negligible.

The team had another active year, working on a range of projects across the areas of disaster relief and human development.

Disaster Response

- continued to do extensive training in disaster preparedness, especially for medical teams and first responders, using our partnership with UKISAR in Leicester.
- Uganda: following landslides and damage, relief supplies were sent to Bududa.
- Ghana: food relief was sent to victims of disturbances in Chereponi.
- DR teams were also sent to various other settings in the Middle East to work with local partners after due diligence.

Global Health

- The Gambia: The team ran a conference in Banjul on Paediatric Care. Free medical camp was held in Jurunku (300 patients). A team of 12 dentists from the UK visited from Nov 12-19 and treated children at schools and disabled children at Hart House in Sinchu Alhagie. Also started assessment for a potential

hospital clinic in Brikama. A medical mission in May resulted in 20 clinical staff being trained in BLS in Banjul and equipment was donated which will benefit 1,500 patients. A team of 7 from the UK went in May.

- Guinea Bissau: Free medical camps run in Cacine.
- Ivory Coast: progress continued on the construction of a new hospital in Yopougon-Gesco. The ground compacting is complete, and now a perimeter wall is planned whilst design details and approvals are finalised.
- UK: free dental checks were provided for homeless people in London.

Knowledge for Life

- Ivory Coast: 3 new primary schools in Kablan Ahissikro, San Pedro and Zouan-Hounien, each with a capacity of around 100 and all opened for the new school year in September. Also, school bags were distributed to children in Kofikkro. There is also demand for a school in Anziakro which is being budgeted for subsequent years.
- Ghana: HF now runs schools in Wunguw (completed mid 2019) and Obaladan in the northern region. Also a girls school in Zogbeli was rehabilitated with support from a volunteer from Luton.
- The Gambia: Assembly Hall for Masroor Senior Secondary School in Yundum. Construction is expected to complete by mid 2020. This will be the largest assembly hall in the country. Two IT training centres are running well in Latrikunda, and since the start, over 36,000 students have graduated. Two schools were refurbished in Basse and Janjangbureh.
- Guinea Bissau: the new IT centre began operations in Bissau City with the first students enrolled.
- Sierra Leone: rehabilitated a school in Magbentha.
- Jordan: HF continues to run a school for Syrian refugee children in Mafraq, in Jordan.
- Uganda: Free IT training was provided from our centre in Kyotera, and the Budaka campus continued to be very active. At Budaka, the kitchen block was completed, so infrastructure works are complete, and new Electrical Engineering courses were started in the autumn. The Namwendwa centre was not effective and so was closed down in the summer. 250 students were provided with supplies in Ndejje.

Food Security

- In the summer, during the Qurbani campaign, HF managed to provide food packs to serve 38,743 people in 8 countries.
- Gambia: Several farming projects were started in the Mansa Konko region for small-holders and widows, to help them become independent.
- Uganda: supported farming projects in Iganga and Kamuli.
- UK: supported homeless shelters in Leeds and Glasgow, and starting to look at feasibility of starting a HF Food Bank.

Gift of Sight

- Gambia: HF began the GOS project for the first time, and treated over 120 patients in Essau. Also a new mobile eye surgery unit is being fitted out in Germany ready to be deployed to The Gambia during 2020. One of the lead eye surgeons from London visited in the summer to kick off the programme.
- Ghana: free eye tests performed in schools in late August.

Water for Life

- Gambia: a solar water borehole was deployed in the village of Sare Ello.
- Ivory Coast: 16 handpumps were repaired in the Worofla area.
- Sierra Leone: 10 water installations were completed in Lunsar and Sembahun for 6,200 people.
- Uganda: 16 borehole projects were completed in Bukwiri, Nameje, Nawasama and Mutai and other villages in the ABengorou and Boundoukou regions.

Community Care

- Throughout the year, HF supported projects and activities in Surrey working with Staywell in New Malden, Kingston and Banstead including several lunches for older people. Food was provided for 100 homeless people in London.

Orphan Care

- Uganda: supporting 40 orphans in Kibaale and Kyanjele.

The trustees and management continue to review and assess projects and implement plans for enhanced service and increase value addition.

Financial review

The donations received by the Charity from all sources decreased by 25% during the year to £0.91 million while overall expenditure has increased by 13% to £1.05 million. The decrease in income was primarily due to there being no major disasters during the year and hence no associated fundraising appeals. The increase in expenditure was mainly on Water for Life projects funded from previously raised Water for Life reserves. The charity delivered a net income of -£146,619 during the year.

The management periodically reviews financial statements of the charity for budgetary compliance and its expenditure review in support of charity objectives. The management constantly reviews the funding position from media sponsorship and sale of publications to ensure it is able to achieve its delivery of service in media and publication.

Covid-19

The impact of the Covid-19 pandemic on the Charity was mitigated by Humanity First's strong reserves positions and efficient cost structure including its unique volunteer model. The structure means HF has low staff and operational costs providing HF the flexibility to more easily manage a downturn in income. Local lock-downs in countries where HF operates meant some regular projects were temporarily paused or scaled back but as the restrictions have eased the projects have been ramped up once again.

Under HF's new structure, it is no longer be reliant on income directly from UK donors but will instead be funded through contributions from its affiliates around the world. The diversified funding base should provide a more stable income profile as the Charity is less exposed to the economic or fundraising climate in any one particular country.

Our fundraising practices

Under its new structure, HF no longer carries out fundraising activities from the UK public at large. The Charity's fundraising department is now focused on providing coordination, support and governance on fundraising matters to its affiliates around the world.

Reserves

It is the Charity's policy to have working capital requirement of approximately 9 months in the reserves. The present level of funding is adequate to support the continuation of the Charity's operations, and the trustees consider the financial position of the charity to be satisfactory. In addition to meeting the adequacy of working capital, the trustees aim to maintain adequate contingency reserves and liquidity to meet the requirements of supporting potential disaster relief operations at short notice.

Investment powers, policy and performance

The trustees are empowered by the Memorandum and Articles of Association, to decide on the courses of action that they consider appropriate to further the Charity's objects.

Grant making policy

The Charity does not make any grants and as such, no policy is in place.

Plans for future periods

In order to bring efficiencies in the operations of Humanity First and focus on value added services provided to international affiliates of Humanity First, the trustees have decided to separate into two separate legal entities. The existing entity will function as the international head office of Humanity First's worldwide affiliates providing strategic guidance, governance and specialist advice on core programs thereby aiming to economise and enhance the value of donations received.

A new entity (Humanity First UK) was established with the responsibilities and scope to deliver programs and sustain current projects. The process of establishing the new legal entity was completed in March 2020.

Employment policy

The Charity believes in the philosophy of an equal opportunities employer. However until now, it is served mostly by dedicated volunteers. The trustees appreciate this and wish to thank everyone involved who have given their valuable time and effort in furthering the Charity's objects.

Statement of Trustees' Responsibilities

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

Company law requires 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 income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosure and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

A resolution proposing that Haines Watts, Aissela, 46 High Street, Esher, Surrey, KT10 9QY, be reappointed as auditor of the charity will be put to the Annual General Meeting.

Small Company Provisions

This report has been prepared having taken advantage of the small companies exemption in the Companies Act 2006.

On behalf of the Board



Dr SA Bhatti
Vice Chairman, Board of Trustees

Date: 14th October 2020

HUMANITY FIRST
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2019

Opinion

We have audited the financial statements Humanity First (the 'charitable company') for the year ended 31 December 2019 which comprises the Statement of Financial Activities, Balance Sheet, Statement of Cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2019, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.
- However, not all future events or conditions can be predicted. The Covid-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the charity's trade, customers, suppliers and wider economy. The Trustees' view on the impact of Covid-19 is disclosed within the accounts.

Other information

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

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

financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustee's Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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' Annual Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 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 trustees 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 Trustees' Annual Report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 7 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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. 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.



Date: 15/10/20.....

Jane Wills FCA MA
Senior Statutory Auditor
For and on behalf of Haines Watts Kingston LLP
Chartered Accountants
Aissela
46 High Street
Esher
Surrey
KT10 90Y

Haines Watts Chartered Accountants is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

HUMANITY FIRST
Registered Charity No. 1149693

STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME & EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2019

	Notes	Unrestricted Funds	Restricted Funds	Total Funds 2019	Unrestricted Funds	Restricted Funds	Total Funds 2018
		£	£	£	£	£	£
INCOME AND ENDOWMENTS							
Donations and legacies	8	392,451	449,648	842,099	653,012	526,024	1,179,037
Other trading activities		63,979	-	63,979	34,931	-	34,931
Total Income		456,430	449,648	906,078	687,943	526,024	1,213,968
EXPENDITURE							
Expenditure on Raising Funds	9	109,546	-	109,546	115,575	-	115,575
Expenditure on Charitable Activities	10	139,219	803,932	943,151	234,526	581,453	815,978
Total Expenditure		248,766	803,932	1,052,697	350,100	581,453	931,553
Net Income/(Expenditure) and net movement in funds for the year		207,665	(354,284)	(146,619)	337,843	(55,428)	282,415
Transfer between reserves	11	(310,927)	310,927	-	(263,875)	263,875	-
Reconciliation of Funds							
Total Funds brought forward		1,027,440	1,225,164	2,252,604	953,472	1,016,717	1,970,189
Total reserves carried forward		924,178	1,181,807	2,105,985	1,027,440	1,225,164	2,252,604

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

The notes on Pages 15 to 22 form a part of these Financial Statements

HUMANITY FIRST
Company No.08253779
BALANCE SHEET
AS AT 31ST DECEMBER 2019

	Notes	2019	2019	2018	2018
		£	£	£	£
<u>FIXED ASSETS</u>					
Tangible Assets	3		476,756		484,310
<u>CURRENT ASSETS</u>					
Stocks	4	16,708		10,958	
Accrued Income		45,373		161,777	
Debtors & Prepayments	5	136,400		87,406	
Cash & Bank		<u>1,460,379</u>		<u>1,538,405</u>	
		1,658,861		1,798,547	
<u>CURRENT LIABILITIES</u>					
Creditors - Due within one year	6	<u>(29,633)</u>		<u>(30,254)</u>	
Net Current Assets			1,629,228		1,768,293
Total Assets less Current Liabilities			2,105,985		2,252,604
Net Assets			<u><u>2,105,985</u></u>		<u><u>2,252,604</u></u>
Represented by:					
<u>FUNDS</u>					
Unrestricted funds	7		924,178		1,027,440
Restricted funds	7		1,181,807		1,225,164
Total charity funds			<u><u>2,105,985</u></u>		<u><u>2,252,604</u></u>

The notes on Pages 15 to 22 form a part of these Financial Statements

The financial statements were approved by the Board of Trustees on...14th October 2020.....



.....
Dr S A Bhatti
Vice Chairman, Board of Trustees

HUMANITY FIRST
Registered Charity No. 1149693

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2019

	2019	2018
	£	£
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	- 50,777	89,687
	-	89,687
Cash flows from investing activities:		
Purchase of property, plant and equipment	(6,763)	(4,215)
Net cash provided by (used in) investing activities	(6,763)	(4,215)
	-	-
Cash flows from financing activities:		
Repayments of borrowing	-	-
Net cash provided by/ (used in) financing activities	-	-
	-	-
Change in cash and cash equivalents in the reporting period	- 57,540	85,472
Change due to unrealised foreign exchange gain/(loss)	(20,487)	(666)
Cash and cash equivalents at the beginning of the reporting period	1,538,405	1,453,600
Cash and cash equivalents at the end of the reporting period	1,460,379	1,538,405

Note A: Reconciliation of net movement in funds to net cash flow from operating activities

Net movement in funds for the reporting period (as per the statement of financial activities)	(146,619)	282,415
Adjustments for:		-
Depreciation charges	14,317	13,935
Interest included in repayments of borrowing	-	-
(Increase)/decrease in stocks	(5,750)	(3,553)
(Increase)/decrease in debtors	67,410	(156,566)
Increase/(decrease) in creditors	(621)	(47,209)
Unrealised foreign exchange (gain)/loss	20,487	666
Net cash provided by (used in) operating activities	- 50,777	89,687

Note B: Analysis of cash and cash equivalents

Cash at Bank	1,460,379	1,538,405
Total cash and cash equivalents	1,460,379	1,538,405

HUMANITY FIRST
Registered Charity No. 1149693

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2019

1. Accounting Policies

1.1 Basis of preparation of Financial Statements

"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 published in October 2019 (effective 1 January 2019) and the Companies Act 2006."

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

Going Concern

"The financial statements have been prepared on a going concern basis. The Trustees have reviewed and considered relevant information in making their assessment. In particular, in response to the COVID-19 pandemic, the Trustees have taken into account the impact on their business of possible scenarios brought on by the impact of COVID-19, alongside the measures that they can take to mitigate the impact. Based on these assessments, given the measures that could be undertaken to mitigate the current adverse conditions, and the current resources available, the Trustees have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts."

1.2 Key source of estimation, uncertainty and judgement

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgement that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

There is estimation uncertainty in calculating depreciation. A full line by line review of fixed assets is carried out by management regularly. Whilst every attempt is made to ensure that the depreciation policy is as accurate as possible, there remains a risk that the policy does not match the useful life of the assets.

1.3 Income

Items of income are recognised and included in the accounts when all of the following criteria are met:

- The charity have entitlement to the funds;
- Any performance conditions;
- There is sufficient certainty that the receipt of the income is considered probable;
- The amount can be measured reliably.

Tax reclaims on donations and gifts

Incoming resources from tax reclaims are included in the SOFA at the same time as the gift to which they relate only if the trustees are satisfied that the claim will be successful.

Volunteer help

In accordance with the Charities SORP (FRS 102), the general volunteer time (described in the Trustees' report) is not recognised in the accounts.

1.4 Expenditure

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 account of the obligation can be measured reliably. Expenditure is classified under the following headings:

Expenditure on raising funds relates to the sale of merchandise, the costs of fundraising and their associated support costs.

Expenditure on charitable activities includes disaster relief and development aid in the form of projects, governance costs and their associated support costs.

Support costs not attributable to a single activity are allocated on a basis consistent with identified cost drivers for that cost category such as staff head count, floor space and expenditure and are apportioned to relevant restricted funds.

An analysis of the support costs and their basis of apportionment are included in Note 13.

1.5 Tangible Fixed Assets and Depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

- Land and building - 2% reducing balance
- All other assets - 20% reducing balance

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Stocks comprise:

- a- Stock of merchandise held for sale and
- b- Stock of merchandise held for charitable donations in the future

HUMANITY FIRST
Registered Charity No. 1149693

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2019

1.7 Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is a objective evidence that the charity will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank and bank overdrafts which are an integral part of the charity's cash management.

Financial liabilities are classified in accordance with the substance of the contractual arrangements entered into and the definition of a financial liability.

1.8 Taxation

Under the relevant provision of the UK tax legislation the charity is exempt from UK taxation, as stated therein.

1.9 Funds

Restricted funds are spent in accordance with specific instructions of the donor.

Unrestricted income funds comprise those funds which are spent at the discretion of management committee for any purpose in the furtherance of the charitable objectives.

2. Operating Income

The operating income is stated after charging the following:

	<u>2019</u>	<u>2018</u>
	£	£
Wages and salaries	52,554	94,591
Social Security Costs	<u>3,893</u>	<u>6,422</u>
Foreign Exchange (Gains)/Losses	<u>20,487</u>	<u>666</u>
Depreciation	<u>14,317</u>	<u>13,935</u>
Auditor's remuneration	<u>6,453</u>	<u>8,406</u>
Cost of stocks recongised as an expense	<u>16,708</u>	<u>10,958</u>
During the year, remuneration to key management totalled	<u>11,232</u>	<u>11,182</u>

The Average monthly number of paid staff employed during the year was as follows:

	<u>2019</u>	<u>2018</u>
Full Time	1	3
Part Time	2	2

The charity's activities are carried out by a large number of volunteers and trustees who are not remunerated for their services to the company.

No employee received benefits of more than £60,000 (2018: £60,000).

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3. Tangible Fixed Assets

	Total	Computer Equipment	Office Equipment	Land & Building
	£	£	£	£
Cost				
As at January 1, 2019	585,673	37,087	22,475	526,111
Additions during the year	6,763	859	5,904	-
Disposal during the year	-			
As at December 31, 2019	<u>592,436</u>	<u>37,946</u>	<u>28,379</u>	<u>526,111</u>
Depreciation				
As at January 1, 2019	101,363	31,893	9,458	60,012
Charge for the year	14,317	1,211	3,784	9,322
As at December 31, 2019	<u>115,680</u>	<u>33,104</u>	<u>13,242</u>	<u>69,334</u>
Net Book Value				
As at December 31, 2019	<u>476,756</u>	<u>4,842</u>	<u>15,137</u>	<u>456,777</u>
As at December 31, 2018	<u>484,310</u>	<u>5,194</u>	<u>13,017</u>	<u>466,099</u>

4. Stocks

	2019	2018
	£	£
Stock of Merchandise held for sale	1,843	1,843
Stock of Merchandise for charitable donations	14,866	9,116
	<u>16,708</u>	<u>10,958</u>

5. Debtors & Prepayments

	2019	2018
	£	£
Debtors	21,287	16,816
Advances to Countries	107,830	68,500
Prepayments	1,809	2,090
Social Security and Other Taxes	5,474	-
	<u>136,400</u>	<u>87,406</u>

6. Creditors - Amounts falling due within one year

	2019	2018
	£	£
Creditors	23,786	23,103
Social Security and Other Taxes	572	821
Accruals	5,275	6,330
Bank Loan	-	-
	<u>29,633</u>	<u>30,254</u>

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7. Movement in Funds

	Balance at 01.01.19	Donations	Expenditure	Transfer Between Reserves	Balance at 31.12.19
Unrestricted Reserves	1,027,440	456,430	(248,766)	(310,927)	924,178
Restricted Reserves (see Note 18)	1,225,164	449,648	(803,932)	310,927	1,181,807
	<u>2,252,604</u>	<u>906,078</u>	<u>(1,052,697)</u>	<u>-</u>	<u>2,105,985</u>

8. Donation and Legacies

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Disaster Relief		32,222	32,222	78,728
Projects	343,128	417,426	760,554	1,061,009
Gift Aid	49,323	-	49,323	39,299
Total Donations and Legacies	<u>392,451</u>	<u>449,648</u>	<u>842,099</u>	<u>1,179,037</u>

9. Expenditure on Raising Funds

	Direct Costs £	Support Costs £	Total Costs 2019 £	2018 £
Fundraising Expenses	48,111	-	48,111	63,557
Marketing & Advertising	5,350	-	5,350	9,437
Salaries and Wages	-	8,478	8,478	8,456
Subscriptions	-	12,363	12,363	20,550
Cost of Sales	35,244	-	35,244	13,575
	<u>88,704</u>	<u>20,842</u>	<u>109,546</u>	<u>115,575</u>

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10. Expenditure on Charitable Activities	Direct Costs £	Support Costs £	Total Costs 2019 £	2018 £
a) Disaster Relief				
Haiti Disaster	-	-	-	13,706
Gaza Disaster Relief	-	-	-	28,695
Rohingya Appeal	-	-	-	48,145
Syria Disaster	-	-	-	-
Yemen Disaster Relief	744	67	811	12,392
Indonesia Disaster Appeal	69	6	75	15,061
Zimbabwe Disaster Appeal	763	69	832	15,061
Iraq Appeal	6,934	628	7,562	7,789
Grenfell Tower Appeal	-	-	-	-
East Africa Drought Appeal	-	-	-	-
Philippines Disaster Appeal	-	-	-	-
Disaster Relief Fund	13,859	1,255	15,114	8,815
	<u>22,369</u>	<u>2,026</u>	<u>24,395</u>	<u>149,663</u>
b) Projects				
Water for Life	220,350	38,224	258,574	128,576
Learn- A -Skill Centres	27,498	4,770	32,268	32,937
Global Health	78,798	13,669	92,467	60,334
Medical Camp	20,863	3,619	24,482	250
Food Security	59,368	10,299	69,667	66,422
Knowledge for Life	277,352	48,112	325,464	241,785
Gift of Sight	33,600	5,829	39,429	21,168
Community Care	750	130	880	4,091
Orphan Care	21,052	3,652	24,704	47,071
ISER Fund	2,000	347	2,347	-
Land Development	6,650	1,154	7,804	-
	<u>748,281</u>	<u>129,805</u>	<u>878,085</u>	<u>602,633</u>
c) Other Charitable Expenses				
Countries Administration Costs	18,086	3,137	21,223	13,232
Others	-	-	-	33,363
	<u>18,086</u>	<u>3,137</u>	<u>21,223</u>	<u>46,595</u>
d) Disaster Response Training				
	<u>1,131</u>	<u>102</u>	<u>1,233</u>	<u>3,767</u>
e) Governance Costs				
Audit Fee	6,453	-	6,453	8,406
Annual Report	-	-	-	-
Countries Registration Costs	4,679	-	4,679	3,798
Salaries, Wages & Pension	-	7,083	7,083	16,179
	<u>11,131.17</u>	<u>7,083</u>	<u>18,214</u>	<u>28,383</u>
Total expenditure on charitable activities	<u>800,997</u>	<u>142,154</u>	<u>943,151</u>	<u>815,978</u>

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11. Transfers between funds

It is the policy of Humanity First that where donations are received in respect of a particular project then those funds are only expended for that project.

If restricted funds falls in deficit i.e. where expenditure exceeds income then the Board transfers funds from unrestricted to cover this shortfall.

In the year 2019, transfers made for unrestricted reserves to cover shortfall in restricted reserves were as follows:

	2019	2018
Transfer between funds	310,927	263,875

12. Analysis of Support Costs

Support costs are allocated on the following basis;

Support Costs	Head Office	Projects	Governance	Fundraising	Total
Rates	1,645	1,782	-	-	3,427
Water Rates	160	173	-	-	333
Light & Heat	305	330	-	-	635
Office Cleaning	1,403	1,520	-	-	2,923
Misc. Office Expenses	3,264	3,536	-	-	6,800
Repair & Maintenance	1,054	1,142	-	-	2,196
Property Insurance	1,214	1,316	-	-	2,530
Service Charges	453	491	-	-	944
Staff Wages	19,476	18,611	6,585	7,882	52,554
Employer NIC	1,443	1,379	488	584	3,893
Employer Pension	30	29	10	12	82
Staff Training	-	-	-	-	-
Telephone & Internet	6,289	-	-	-	6,289
Printing, Postage & Stationery	1,313	-	-	-	1,313
Conference Expenses	-	-	-	-	-
Stock for Jalsa Sales	-	-	-	-	-
Gifts	-	-	-	-	-
Computer Peripherals	117	127	-	-	244
Website Promotion	2,535	2,746	-	-	5,280
Sundries	507	549	-	-	1,056
Carriage	1,497	1,622	-	-	3,119
Staff Welfare Expenses	218	236	-	-	453
Subscriptions	-	-	-	12,363	12,363
Bank Charges	3,431	-	-	-	3,431
Collection Charges	10,148	-	-	-	10,148
Accountancy	8,178	-	-	-	8,178
Loan Interest	-	-	-	-	-
Depreciation	6,872	7,445	-	-	14,317
Unallocated Costs	-	-	-	-	-
Foreign Exchange Losses	-	20,487	-	-	20,487
VAT Partial Adjustment	-	-	-	-	-
	71,551	63,519	7,083	20,842	162,996

13. Analysis of Net Assets between Funds 2019

	Unrestricted Funds	Restricted Funds	Total
	£	£	£
Fixed Assets	476,756	-	476,756
Cash and current investments	278,573	1,181,807	1,460,379
Other current assets	198,482	-	198,482
Other current liabilities	(29,633)	-	(29,633)
Total	924,177	1,181,807	2,105,984

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Analysis of Net Assets between Funds 2018

	<u>Unrestricted</u> <u>Funds</u>	<u>Restricted</u> <u>Funds</u>	<u>Total</u>
	£	£	£
Fixed Assets	484,310	-	484,310
Cash and current investments	313,241	1,225,164	1,538,405
Other current assets/liabilities	229,888	-	229,888
Total	<u>1,027,439</u>	<u>1,225,164</u>	<u>2,252,603</u>

Unrestricted funds are held in order to allow timely reaction to humanitarian crises. Balances on restricted funds arise due to timing differences between project and disaster relief donations and related expenditure.

14. Related Party Transactions

There was no remuneration paid to the Trustees in the year for any services rendered. Donations made to the charity by Trustees in the year totalled £ 3,612 (2018: £3,885). Expenses reimbursed to Trustees in the year totalled £ nil (2018: £233).

Trustees expenses reimbursed in 2018 related to expenditure for overseas travel to monitor Humanity First charitable projects.

There were no other related party transactions requiring disclosure (2018: None). There were small donations made by individuals connected to the Trustees but this information is impractical to compile.

15. Company Limited by Guarantee

The Company is a private company limited by guarantee and accordingly does not have 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 £10 per member of the Company. The Company was incorporated in England and Wales and information relating to the registered office address can be found on page 1.

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16. Analysis of Restricted Funds

Restricted Fund	Balance at 01.01.19	Donations	Expenditure	Transfer Between Reserves	Balance at 31.12.19
a) Disaster Relief					
Haiti Disaster	85,284	-	-	-	85,284
Gaza Disaster Relief	4,663	-	-	-	4,663
Rohingya Appeal	59,321	5,968	-	-	65,289
Syria Disaster	17,578	-	-	-	17,578
Grenfell Tower Appeal	58	-	-	-	58
East Africa Drought Appeal	13,585	-	-	-	13,585
Middle East Appeal	1,616	232	-	-	1,848
Yemen Appeal	-	-	(744)	744	-
Iraq Appeal	-	-	(6,934)	6,934	-
Philippines Disaster Appeal	-	-	-	-	-
Japan Disaster Appeal	19,571	-	-	-	19,571
Indonesia Disaster Appeal	23,526	3,439	(69)	-	26,896
Other Disaster Relief Funds	12,431	22,583	(14,814)	763	20,963
b) Projects					
Water for Life	333,436	90,177	(220,350)	-	203,263
Learn- A -Skill Centres	18,418	2,765	(27,498)	6,315	-
Global Health	260,446	104,999	(105,982)	45,892	305,355
Benin Hospital	8,602	-	-	-	8,602
Food Security	2,450	55,814	(59,368)	7,494	6,390
Community Care	-	-	(750)	750	-
Knowledge for Life	110,030	29,601	(277,352)	206,616	68,895
Gift of Sight	140,424	95,119	(33,600)	-	201,943
Orphan Care	113,725	38,951	(21,052)	-	131,624
ISER Fund	-	-	(2,000)	2,000	-
Land Development	-	-	(6,650)	6,650	-
Other Projects Funds	-	-	(7,553)	7,553	-
c) Other Charitable Expenses					
Countries Administration Costs	-	-	(18,086)	18,086	-
Others	-	-	-	-	-
d) Disaster Response Training					
	-	-	(1,131)	1,131	-
	<u>1,225,164</u>	<u>449,648</u>	<u>(803,932)</u>	<u>310,927</u>	<u>1,181,807</u>