

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
2020**

Haines Watts Kingston
LLP Alseia, 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 a charity incorporated as a company limited by guarantee in England and Wales. The charity is governed by a Constitution and by its Memorandum and Articles of Association. Humanity First is also a registered charity with the Charity Commission.
MAIN OBJECTIVES	<p>(i) the prevention or relief of poverty;</p> <p>(ii) the advancement of education.</p> <p>(iii) the advancement of health, including the prevention or relief of sickness, disease and human suffering;</p> <p>(iv) the relief of those in need because of youth, age, ill-health, disability, financial hardship or other disadvantage and specifically;</p> <p>(v) to further enhance our partner support network;</p> <p>(vi) capacity building and skills enhancement for on-ground teams to support humanitarian projects in an effective manner; and</p> <p>(vii) building integrated platforms to provide enhanced visibility and access across the organisation.</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	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.
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 2020

The trustees present their report and the financial statements for the year ended 31 December 2020. 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 3.

Structure, governance and management

The Charity is constituted as a company limited by guarantee, and is 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 management board.

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. Humanity First works with its international network of affiliated charities to implement projects and respond to disaster relief efforts around the globe.

Humanity First is the international office of affiliated Humanity First charities around the globe. It oversees global standards, best practice and governance as well as coordinates strategy and program development. It provides training, development and capacity building initiatives to its affiliates to improve efficiencies and maximise the benefit of every \$ donated. It provides representation at international forums and co-ordinates engagement with multi-lateral institutions. Humanity First also co-ordinates responses to international disaster relief situations by its international affiliates.

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 2020

COVID-19 Relief Efforts

In 2020, our major programme was the COVID-19 relief efforts. Due to the impact of the pandemic around the world, many regular relief and development projects were curtailed for many months. Humanity First co-ordinated a global relief effort in 78 countries, and for many months, held weekly co-ordination meetings with the global teams to share intelligence, ideas and best practice.

HF also became a focal point for engagement with UN bodies such as WHO and WFP to contribute intelligence and also participate in discussions on global strategy and best practice in tackling the virus. The HF hospital in Cotonou in Benin was one of the designated hospitals to manage COVID patients, but HF also pushed for PPE and safety protocols at all other HF facilities. PPE stocks were also dispatched to West Africa.

Through the year, HF teams across those 78 countries provided over 11.3 million meals to impoverished families, 439,966 items of PPE, 2,177 units of blood and support for 152 hospitals. HF co-ordinated a total of 1.3 million volunteer hours and 936,551 victims were able to benefit.

Teams from HF's international affiliates also responded to other smaller emergencies during the year as co-ordinated through HF:

- **Hurricane Eta and Iota:** Medical teams were sent to the Cortes region of Honduras to run a field hospital, and 150,000 bottles of water were distributed to victims after successive hurricanes struck the region in late October and November. In total 2.5 million people had been affected.
- **Cyclone Nivar:** Food provided for 750 people in Chennai in south-east India in late November. The cyclone flooded many areas of southern India, especially in Tamil Nadu.
- **Taal Volcano:** Partnered with Aquabox to distribute 254 water purification boxes to families affected by the volcanic eruption near Luzon on 12 January, which had resulted in 39 deaths.
- Various smaller flood relief operations such as in Hyderabad (India), Seruyan (Indonesia)

Gambia Assembly Hall

HF continued to manage the completion of the Assembly Hall at the HF Masroor Senior Secondary School in Old Yundum. The hall was completed late in 2020, and is the largest in the country with a capacity of around 2,000. The hall serves many purposes including as a meeting hall and examinations hall, not just for the HF students, but also as a resource for neighbouring schools in the Yundum and Sinchu Alhagie areas. HF continued to look at improvements at the school which hosts 1,350 students, and is the largest HF school in the world.

Ivory Coast Hospital

HF was co-ordinating the design of the proposed new HF hospital in Yopougon-Gesco. Whilst plans and designs were going through iterations in discussions with the Ministry of Health, HF also secured the land, prepared the ground works and began the perimeter wall to secure the plot. Other hospitals and clinics were being deployed in Senegal, Nigeria and Sao Tome. HF set up a global session to share best practice especially from the recent deployment in Guatemala (17,000 patients treated in the two years since launching in September 2018).

Qurban Campaign

HF co-ordinated the annual Qurban campaign at the end of July. This year, food packs were provided for 479,389 people in 55 countries. A total of 2,691 goats and 478 cows were sacrificed over the 3 days, the most so far by HF in any one campaign. 14 countries were supported for the first time in 2020 including Armenia, Bangladesh, Cambodia, Central African Republic, Ecuador, Equatorial Guinea, Gabon, Georgia, Greece, Guyana, Haiti, Palestine, South Africa, Thailand and Yemen.

School Building

HF drove the campaign to build many more primary schools. By the end of 2020, 67 schools had been built. HF ensured that there was a focus on quality and on value-adding facilities including staff rooms, library facilities, dining and toilets for students wherever possible. HF has also designed and deployed 35 school posters in six languages (English, French, Spanish, Arabic, Urdu and Portuguese).

Training of Branches

One of the long-term goals is to make local branches more independent and sustainable. In order to benchmark and develop each branch, HF built and tested a maturity matrix and then started to train emerging branches. Training sessions were held with Mauritius, South Africa, Niger and Belgium. This will be an ongoing process as local national branches continue to become more sophisticated and raise funds locally.

International Collaboration

In many cases, as new branches were registered, HF assessed local needs and then paired up new branches with donor partners to accelerate project delivery. Examples included pairing the Middle East with Sierra Leone, Norway with Niger, The Netherlands with South Africa. Many other countries were going through an assessment process including Finland, Rwanda, Spain and many others.

Central Resources

HF began socialising the global policies and procedures to ensure compliance by all branches especially in governance. HF also began creating centralised marketing collateral to be used by local branches; 2020 marked 25 years since the official first registration of Humanity First in the UK in 1995. An example was during the global Telethon fundraising events, where HF provided the strategy, collateral, data and a combined web portal showing the overall collections at any time around the globe.

Financial review

The donations received by the Charity from all sources decreased by 43% during the year to £ 0.51 million while overall expenditure also decreased by 49% to £ 0.53 million. The decrease in income was expected and reflects HF's new structure. HF no longer raises funds directly from the UK public at large and the majority of its income will come from contributions from its affiliated worldwide charities. These contributions will come online in 2021. The decrease in expenditure is similarly a result of the new structure under which delivery of ongoing project is primarily carried out by HF's international affiliates and HF's focus has shifted to oversight and co-ordination. The charity delivered a net income of -£ 16,695 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 Covid-19 on the charity was minimal as a result of Humanity First's strong reserves positions and efficient cost structure including its unique volunteer model. HF's low level of operational costs means it is not as exposed to short term fluctuations in income. Local lock-downs in countries where HF operates did result in some regular projects being temporarily paused or scaled back but much of the activity has now resumed.

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.

Employment policy

The Charity is 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.

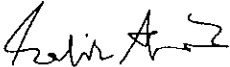
Auditor

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: 27th September 2021

HUMANITY FIRST
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2018

Opinion

We have audited the financial statements Humanity First (the 'charitable company') for the year ended 31 December 2018 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 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 other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other Information

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

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

We have nothing to report in this regard.

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: 29/9/21

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 2020**

	Notes	Unrestricted Funds	Restricted Funds	Total Funds 2020	Unrestricted Funds	Restricted Funds	Total Funds 2019
		£	£	£	£	£	£
INCOME AND ENDOWMENTS							
Donations and legacies	8	275,133	225,697	500,830	343,128	449,648	792,776
Government grants		6,279	-	6,279	49,323	-	49,323
Other trading activities		8,507	-	8,507	63,979	-	63,979
Total Income		289,920	226,697	515,617	456,430	449,648	906,078
EXPENDITURE							
Expenditure on Raising Funds	9	19,648	-	19,648	109,546	-	109,546
Expenditure on Charitable Activities	10	139,895	372,769	512,664	139,219	803,932	943,151
Total Expenditure		159,542	372,769	532,312	248,766	803,932	1,052,697
Net Income/(Expenditure) and net movement in funds for the year		130,377	(147,072)	(16,695)	207,665	(354,284)	(146,619)
Transfer between reserves	11	(137,628)	137,628	-	(310,927)	310,927	-
Reconciliation of Funds							
Total Funds brought forward		924,178	1,181,807	2,105,985	1,027,440	1,225,164	2,252,604
Total reserves carried forward		916,927	1,172,363	2,089,290	924,178	1,181,807	2,105,985

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

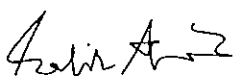
HUMANITY FIRST
Company No.08253779
BALANCE SHEET
AS AT 31ST DECEMBER 2020

	Notes	<u>2020</u>	<u>2020</u>	<u>2019</u>	<u>2019</u>
		£	£	£	£
FIXED ASSETS					
Tangible Assets	3		463,828		476,756
CURRENT ASSETS					
Stocks	4	39,463		16,708	
Accrued Income		124,510		45,373	
Debtors & Prepayments	5	21,163		136,400	
Cash & Bank		<u>1,462,818</u>		<u>1,460,379</u>	
		1,647,954		1,658,861	
CURRENT LIABILITIES					
Creditors - Due within one year	6	<u>(22,483)</u>		<u>(29,633)</u>	
Net Current Assets			1,625,461		1,629,228
Total Assets less Current Liabilities			2,089,290		2,105,985
Net Assets			<u>2,089,290</u>		<u>2,105,985</u>
Represented by:					
FUNDS					
Unrestricted funds	7		916,927		924,178
Restricted funds	7		1,172,363		1,181,807
Total charity funds			<u>2,089,290</u>		<u>2,105,985</u>

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

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...27th September 2021....



.....
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 2020

		<u>2020</u>	<u>2019</u>
		£	£
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	Note A	<u>(15,422)</u>	<u>(50,777)</u>
Cash flows from investing activities:			
Purchase of property, plant and equipment		<u>(254)</u>	<u>(6,783)</u>
Net cash provided by (used in) investing activities		<u>(254)</u>	<u>(6,783)</u>
Cash flows from financing activities:			
Repayments of borrowing		<u>-</u>	<u>-</u>
Net cash provided by/ (used in) financing activities		<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		(15,676)	(57,540)
Change due to unrealised foreign exchange gain/(loss)		18,114	(20,487)
Cash and cash equivalents at the beginning of the reporting period		1,460,379	1,538,405
Cash and cash equivalents at the end of the reporting period	Note B	<u>1,462,818</u>	<u>1,460,379</u>

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)		(16,695)	(146,619)
Adjustments for:			
Depreciation charges		13,182	14,317
Interest included in repayments of borrowing		-	-
(Increase)/decrease in stocks		(22,755)	(5,750)
(Increase)/decrease in debtors		36,100	67,410
Increase/(decrease) in creditors		(7,140)	(621)
Unrealised foreign exchange (gain)/loss		(18,114)	20,487
Net cash provided by (used in) operating activities	Note A	<u>(15,422)</u>	<u>(50,777)</u>

Note B: Analysis of cash and cash equivalents

Cash at Bank	Note B	<u>1,462,818</u>	<u>1,460,379</u>
Total cash and cash equivalents		<u>1,462,818</u>	<u>1,460,379</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

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.

The stock at the year-end is partly made up of blankets donated by another charity. As a result there is a degree of estimation in the cost. The cost is calculated based on the cost of previous blankets purchased, adjusted for inflation and the size of blankets donated. The stock value at the year-end in relation to donated blankets is £31,650.

There is estimation uncertainty in calculating accrued income in relation to affiliate charities. As the amounts accrued in relation to 2020 have not been received, and there are still negotiations still in place at the date of signing, the amounts accrued are based on the Trustees most recent correspondence with the charities in relation to the amounts due to Humanity First.

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

Income 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 amount 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.

* Key source of estimation, uncertainty and judgement*

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 2020**

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 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.

2.0 Government grants

Grant income is recognised under the accrual model of Financial Reporting Standard 102.

Grant income is recognised in the profit and loss account on a systematic basis over the period in which the company recognises the related costs for which the grant is intended to compensate.

2. Operating Income

The operating income is stated after charging the following:

	<u>2020</u>	<u>2019</u>
	£	£
Wages and salaries	41,169	52,554
Social Security Costs	-	3,893
Foreign Exchange (Gains)/Losses	(18,114)	20,487
Depreciation	13,182	14,317
Auditor's remuneration	5,795	6,453
Cost of stocks recognised as an expense	39,483	16,708
During the year, remuneration to key management totalled	11,700	11,232

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

	<u>2020</u>	<u>2019</u>
Full Time	1	1
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 (2019: Nil).

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3. Tangible Fixed Assets

	Total	Computer Equipment	Office Equipment	Land & Building
	£	£	£	£
Cost				
As at January 1, 2020	592,436	37,946	28,379	526,111
Additions during the year	254	254		-
Disposal during the year	-			-
As at December 31, 2020	<u>592,690</u>	<u>38,200</u>	<u>28,379</u>	<u>526,111</u>
Depreciation				
As at January 1, 2020	115,680	33,104	13,242	69,334
Charge for the year	13,182	1,019	3,027	9,136
As at December 31, 2020	<u>128,862</u>	<u>34,123</u>	<u>16,269</u>	<u>78,470</u>
Net Book Value				
As at December 31, 2020	<u>463,828</u>	<u>4,077</u>	<u>12,110</u>	<u>447,641</u>
As at December 31, 2019	<u>476,756</u>	<u>4,842</u>	<u>15,137</u>	<u>456,777</u>

4. Stocks

	2020	2019
	£	£
Stock of Merchandise held for sale	1,843	1,843
Stock of Merchandise for charitable donations	37,620	14,866
	<u>39,463</u>	<u>16,708</u>

6. Debtors & Prepayments

	2020	2019
	£	£
Debtors	12,390	21,287
Advances to Countries	6,099	107,830
Prepayments	1,946	1,809
Social Security and Other Taxes	727	5,474
	<u>21,163</u>	<u>136,400</u>

6. Creditors - Amounts falling due within one year

	2020	2019
	£	£
Creditors	11,330	23,786
Social Security and Other Taxes	93	572
Accruals	11,070	5,275
	<u>22,493</u>	<u>29,633</u>

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7. Movement in Funds

	Balance at 01.01.20	Donations	Expenditure	Transfer Between Reserves	Balance at 31.12.20	Balance at 01.01.19	Donations	Expenditure	Transfer Between Reserves	Balance at 31.12.19
Unrestricted Reserves	924,178	288,920	(159,542)	(137,828)	916,927	1,027,440	456,430	(248,766)	(310,927)	924,178
Restricted Reserves (see Note 18)	1,181,907	225,697	(372,769)	137,828	1,172,363	1,225,164	449,648	(603,932)	310,927	1,181,807
	2,105,985	515,617	(532,312)	-	2,089,290	2,252,604	906,078	(1,052,697)	-	2,105,985

8. Donations

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £
Disaster Relief Projects	275,133	43,631 182,068	43,631 457,199	343,128 49,323	32,222 417,428	32,222 780,554 49,323
Total Donations	275,133	225,697	500,830	382,451	449,648	842,099

9. Expenditure on Raising Funds

	Direct Costs £	Support Costs £	Total Costs 2020 £	Direct Costs £	Support Costs £	Total Costs 2019 £
Fundraising Expenses	181	-	181	49,111	-	49,111
Marketing & Advertising	-	-	-	5,350	-	5,350
Salaries and Wages	-	8,031	8,031	-	8,478	8,478
Subscriptions	-	9,114	9,114	-	12,363	12,363
Cost of Sales	2,321	-	2,321	35,244	-	35,244
	2,502	17,146	19,648	89,704	20,842	109,546

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10. Expenditure on Charitable Activities	Direct Costs	Support Costs	Total Costs 2020	Direct Costs	Support Costs	Total Costs 2019
	£	£	£	£	£	£
a) Disaster Relief						
Yemen Disaster Relief	-	-	-	744	67	811
Covid-19	36,572	6,406	42,978			
Indonesia Disaster Appeal-Tsunami	5,000	876	5,876	69	6	75
Disaster Relief- Malaysia Refugees Relief	2,757	483	3,240			
Iraq Appeal	-	-	-	6,934	628	7,562
Zimbabwe Disaster Appeal	-	-	-	763	69	832
Disaster Relief Fund	11,050	1,936	12,986	13,859	1,255	15,114
	<u>55,379</u>	<u>9,701</u>	<u>65,080</u>	<u>22,369</u>	<u>2,026</u>	<u>24,395</u>
b) Projects						
Water for Life	73,441	17,700	91,141	220,360	38,224	258,574
Learn- A -Skill Centres	16,377	3,947	20,324	27,498	4,770	32,268
Global Health	14,805	3,568	18,373	78,798	13,669	92,467
Medical Camp	560	135	695	20,863	3,618	24,482
Food Security	54,757	13,197	67,954	59,368	10,299	69,667
Knowledge for Life	123,626	29,796	153,421	277,952	48,112	325,464
Gift of Sight	4,996	1,204	6,200	33,600	6,829	39,429
Community Care	-	-	-	750	130	880
Orphan Care	20,296	4,892	25,188	21,052	3,652	24,704
ISER Fund	-	-	-	2,000	347	2,347
Land Development	-	-	-	6,650	1,164	7,804
	<u>308,857</u>	<u>74,440</u>	<u>383,297</u>	<u>748,281</u>	<u>129,805</u>	<u>878,085</u>
c) Other Charitable Expenses						
Countries Administration Costs	7,346	1,771	9,117	18,086	3,137	21,223
Unrestricted-HF UK	32,736	7,890	40,626	-	-	-
	<u>40,082</u>	<u>9,660</u>	<u>49,742</u>	<u>18,086</u>	<u>3,137</u>	<u>21,223</u>
d) Disaster Response Training	-	-	-	1,131	102	1,233
e) Governance Costs						
Audit Fee	5,795	-	5,795	6,453	-	6,453
Countries Registration Costs	4,430	-	4,430	4,679	-	4,679
Salaries, Wages & Pension	-	4,319	4,319	-	7,083	7,083
	<u>10,225</u>	<u>4,319</u>	<u>14,545</u>	<u>11,131.17</u>	<u>7,083</u>	<u>18,214</u>
Total expenditure on charitable activities	<u>414,544</u>	<u>88,120</u>	<u>512,664</u>	<u>800,997</u>	<u>142,154</u>	<u>943,151</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 2020, transfers made for unrestricted reserves to cover shortfall in restricted reserves were as follows:

	2020	2019
Transfer between funds	137,628	310,927

12. Analysis of Support Costs

Support costs are allocated on the following basis;

					2020	
Support Costs	Head Office	Projects	Governance	Fundraising	Total	Head Office
Rates	1,510	1,636	-	-	3,147	1,645
Water Rates	108	116	-	-	224	160
Light & Heat	470	509	-	-	978	305
Office Cleaning	645	699	-	-	1,344	1,403
Misc. Office Expenses	308	333	-	-	641	3,264
Repair & Maintenance	623	675	-	-	1,299	1,054
Property Insurance	1,320	1,430	-	-	2,749	1,214
Service Charges	432	468	-	-	900	453
Staff Wages	11,747	17,072	4,319	8,031	41,169	19,476
Employer Insurance	-	-	-	-	-	1,443
Employer Pension	-	-	-	-	-	30
Telephone & Internet	7,708	-	-	-	7,708	6,289
Printing, Postage & Stationery	1,283	-	-	-	1,283	1,313
Computer Peripherals	217	235	-	-	452	117
Website Promotion	6,965	7,545	-	-	14,510	2,535
Sundries	38	42	-	-	80	507
Carriage	-	-	-	-	-	1,497
Staff Welfare Expenses	136	147	-	-	283	218
Subscriptions	-	-	-	9,114	9,114	-
Bank Charges	3,051	-	-	-	3,051	3,431
Collection Charges	5,762	-	-	-	5,762	10,148
Accountancy	19,100	-	-	-	19,100	8,178
Depreciation	8,327	8,855	-	-	13,182	6,872
Bad debts	3,073	3,329	-	-	6,403	-
Foreign Exchange Losses	-	18,114	-	-	(18,114)	-
	70,823	22,978	4,319	17,146	115,266	71,551

13. Analysis of Net Assets between Funds 2020

	Unrestricted Funds	Restricted Funds	Total
	£	£	£
Fixed Assets	463,828	-	463,828
Cash and current investments	290,455	1,172,363	1,462,818
Other current assets	185,136	-	185,136
Other current liabilities	(22,493)	-	(22,493)
Total	916,926	1,172,363	2,089,290

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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/liabilities	198,482		198,482
Other current liabilities	(29,633)		(29,633)
Total	<u>924,177</u>	<u>1,181,807</u>	<u>2,105,984</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 £1,542 (2019: £3,612). Expenses reimbursed to Trustees in the year totalled £ nil (2019: £ Nil).

Trustees expenses reimbursed in 2020 related to expenditure for overseas travel to monitor Humanity First charitable projects.

There were no other related party transactions requiring disclosure (2019: 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 01.01.20	Donations	Expenditure	Transfer Between Reserves	Balance at 31.12.20	Balance at 01.01.19	Donations	Expenditure	Transfer Between Reserves	Balance at 31.12.19
a) Disaster Relief										
Haiti Disaster	65,264	-	-	-	65,264	65,264	-	-	-	65,264
Gaza Disaster Relief	4,663	-	-	-	4,663	4,663	-	-	-	4,663
Rohingya Appeal	65,289	42	-	-	65,331	66,221	6,986	-	-	65,289
Syria Disaster	17,578	-	-	-	17,578	17,578	-	-	-	17,578
Orenfell Tower Appeal	58	-	-	-	58	58	-	-	-	58
East Africa Drought Appeal	13,585	-	-	-	13,585	13,585	-	-	-	13,585
Middle East Appeal	-	7	(7)	-	-	1,816	232	-	-	1,848
Covid-19	-	38,672	(38,672)	-	0	-	-	(744)	744	-
Japan Disaster Appeal	19,571	-	-	-	19,571	19,571	-	-	-	19,571
Indonesia Disaster Appeal	26,896	-	(5,000)	-	21,896	23,528	3,439	(69)	-	26,896
Other Disaster Relief Funds	20,963	7,010	(13,897)	-	14,165	12,431	22,583	(14,814)	783	20,963
b) Projects										
Water for Life	203,263	28,661	(79,441)	-	158,403	333,436	90,177	(220,350)	-	203,263
Learn-A-Skill Centres	-	2,607	(16,377)	13,770	-	18,416	2,765	(27,498)	8,315	-
Global Health	305,355	82,628	(16,651)	560	371,901	260,446	104,989	(105,982)	45,892	305,355
Benin Hospital	8,602	-	-	-	8,602	8,602	-	-	-	8,602
Food Security	6,380	16,686	(54,757)	32,661	0	2,450	55,614	(59,386)	7,494	6,380
Community Care	-	-	-	-	-	-	-	(760)	760	-
Knowledge for Life	70,743	29,446	(123,626)	83,272	69,835	110,030	29,601	(277,352)	208,616	68,895
Gift of Sight	201,943	9,887	(4,996)	-	206,634	140,424	85,119	(33,600)	-	201,943
Orphan Care	131,624	13,432	(20,289)	-	124,767	113,725	38,951	(21,852)	-	131,624
c) Other Charitable Expenses										
Countries Administration Costs	-	-	(7,346)	7,346	-	-	-	(18,086)	18,086	-
d) Disaster Response Training										
	-	-	-	-	-	-	-	(1,131)	1,131	-
	1,181,607	226,697	(372,769)	137,828	1,172,363	1,225,184	449,648	(803,932)	310,827	1,181,607