

**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 2017**

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

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Registered Charity No. 1149693

Unit 27, Red Lion Road, Red Lion Business Park  
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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 Charity Commission and is 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 the donees to acquire key skills so that they can achieve self-sufficiency. Currently, the main projects being undertaken by Humanity First are: Gift of Sight, Knowledge for Life, Water for Life, Learn a Skill, Orphan Care, Global Health and Food Security. The particular areas where projects are being undertaken at present are Africa &amp; 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 9QY
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 take 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 development projects in developing parts of the world with a view to endow the indigenous population with vital skills so that they can develop self-sufficiency.</p>
TRUSTEES:	<p>Mr R A Hayat Mr A Y Sayed Mr M M Ahmad Dr S M Ahmad Mr W B Atkinson Mr K K Edwards Dr S A Bhatti Mr M H Harter (appointed 10/03/2018) Mr B F Trawally (appointed 10/03/2018) Mr M Naeem (appointed 10/03/2018)</p>

**Humanity First**  
**(A company limited by guarantee)**  
**Report of the trustees (incorporating the director's report)**  
**For the year ended 31 December 2017**

The trustees present their report and the financial statements for the year ended 31 December 2017. 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, color, 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.

**Disaster Response**

Disaster Training

The HF UK team continued to provide training on emergency preparedness. The medical team continue to do Medical DR Training from the UK ISAR base in Leicester and also assisted training courses in North America. The DR team also did non-specialist DR training for youth groups across the world.

HF UK assisted in disaster response operations worldwide, and the main ones are described in more detail. This year, HF responded to emergencies in 20 countries assisting 171,250 victims. The largest event was the Rohingya crisis in Myanmar and Bangladesh.

#### East Africa Drought

Drought affected East Africa in the spring. Over 6 million people were affected in Somalia, and large parts of Kenya and eastern Uganda were also affected. HF UK supported the local response with emergency food rations and access to drinking water in a number of villages including Eldoret, Isinya and Saganad. In total 7,200 villagers were assisted over this period. HF UK previously led a major drought response in the region in 2011.

#### Grenfell Tower Fire (June 2017)

On 14 June, a terrible fire consumed a tower block in Kensington, west London, killing 72 people. HF UK volunteers were on the ground the same day to provide food, water and clothing to displaced families and also to assist with clear-up activities. HF teams also assisted at nearby temporary shelters. Over 500 people were assisted in the first week, and then with funds raised over that week, HF helped many long-term displaced families through the local Rugby Portobello Trust in west London. The efforts were acknowledged by the then Education Minister Rt. Hon. Justine Greening.

#### Regent Mudslide (Aug 2017)

On 14 August, after sustained heavy rainfall, devastating mudslides in Regent, near the Sierra Leone capital of Freetown, resulted in many homes being devastated, 3,000 people displaced and 1,141 dead or missing presumed dead. HF UK had already sent a huge container of aid from Yorkshire which had arrived a couple of months earlier and many of those items were deemed suitable for the victims of the mudslides.

HF teams were on the ground the same day and were able to provide emergency relief items including non-perishable food and clothing for 1,000 victims working through the local mayor.

#### Rohingya Refugee Crisis (Aug 2017)

Conflict in Rakhine state in NW Myanmar led to ethnic cleansing of the Rohingya minority in August and almost 700,000 fled to neighboring Bangladesh in the weeks that followed. The majority went into Kutupalong camp. HF worked with the Ahmadiyya Muslim Jammāt (AMJ) of Bangladesh.

A local team was mobilised and provided a range of support services for the refugees from the Kutupalong I, Kutupalong II and Shamlapur camps. HF installed 57 tube water wells and 109 portable latrines. 650 families were provided with hygiene kits. Two medical centres (EMT Type 1) were established from where 42,100 patients were seen. Finally, 35,230 hot meals were provided and hundreds of high energy biscuits were distributed to children every day. In total around 130,000 people have been assisted.

### **Human Development Programs**

#### Water for Life

HF UK continued to work on new water pumps and wells in the following countries: The Gambia, Sierra Leone, Ivory Coast, Burkina Faso, Uganda, Kenya and Pakistan. In total, HF has now deployed 2,632 village solutions serving 3.9 million people. HF UK also strengthened its partnership with IAAAE in London to share engineers and water drilling resources across Africa. HF UK is also actively seeking guidance from experts to improve the quality of the work and reduce MTBF at water pumps.

Demand from donors in the UK has grown in recent years and there was a weakness in donor feedback once their pump was completed so a new process was put in place to provide feedback once a village was allocated, and then provide a donor certificate once the pump was completed including details of the installation and a photo showing their desired message of the signboard.

In Pakistan, there has been so much demand and support from donors that there is now a 12 month backlog of wells being delivered in Tharparkar.

#### Food Security

Rural communities in Ivory Coast lack resources to move from subsistence farming. HF UK has provided crop processing machines to over 25 communities and around 50,000 people are able to benefit whilst raw crops are processed automatically into higher value foods generating increased income and saving time for the women.

Also, HF UK sponsored Qurbanis across Africa providing food packs for around 83,000 people including for the first time in Guinea Bissau and Rwanda (through HF Uganda).

#### Education & Training

HF UK continued to improve facilities in our Masroor Senior Secondary School in The Gambia, and started the construction of a primary school in Obaladan in northern Ghana. During a visit to Ghana in the autumn, HF UK worked with the local team to identify at least four locations for schools north of Tamale and during 2018, HF UK plans to gradually build these schools.

HF UK supports 10 vocational training centers in Africa covering IT, Sewing, Hair Dressing and Business Studies. HF UK is reviewing the quality and effectiveness of these centers, and also putting in place stronger safeguarding measures for vulnerable students in rural areas. The IT training center in Latrikunda in The Gambia has had over 25,000 graduates in recent years in a country with a population of less than 2 million!

Finally, the Classroom Transformation Programme has been a major success. This year, teams of UK volunteers visited the following countries to paint classrooms and install posters and books: Sierra Leone, Ivory Coast, Ghana, Uganda and Jordan. Through the year, our team worked on 66 classrooms in 17 schools which will benefit around 5,900 children. Moreover, the team has translated posters from English into French, Arabic and Portuguese, and are also working on Spanish. With over 200 schools in Sierra Leone targeted for help, it is particularly rewarding that we now have a dedicated local team in the country who worked with our UK volunteers and are now taking on projects themselves and innovating based on local needs.

#### Gift of Sight

A few years ago, HF UK invested in a mobile eye surgery unit in Burkina Faso. This year, we supported the use of the unit in 6 regions and enabled over 800 cataract operations. Sometimes the unit was used near a local medical center and there were suggestions that we could have done the procedures within the centers, but there were occasions when they lost power for many hours, and yet our mobile unit continued to function because of its backup generator facility.

A further unit is being considered for northern Ghana to cover the region from Tamale to Bolgatanga near the Burkina border area.

### Medical

Volunteer doctors, dentists, paramedics and nurses from the UK went to The Gambia to conduct training for dozens of local clinicians in several missions through the year. HF also supported medical camps in rural villages across Ivory Coast, Burkina Faso and The Gambia. Over the last 4 years, over 25% of doctors and nurses in The Gambia have received some form of training by HF.

HF UK also began the design and preparation for a new acute hospital in the Yopougon-Gesco district of the capital Abidjan in Ivory Coast. The main need is for better services for women and children from vulnerable communities such as Abobo.

### Community Care

Humanity First is providing a wide range of services to vulnerable groups in society across the world, but particularly the homeless. In the UK, HF provided hygiene kits for 110 people in London. We had considered feeding the homeless, but due to health and safety concerns, we focused on the gap which was that many homeless lack a bag to hold their belongings and also struggle with clothing in the cold and hygiene. So our kits consisted of warm hats, gloves and socks, and various hygiene items such as toothbrush, toothpaste, soaps and other essentials which were appreciated by the recipients.

In the Surrey area of the UK, HF has been working with Staywell to provide a range of services for older people as part of a longer term partnership with them. This year, we provided several lunches in New Malden, Kingston and Banstead. HF arranged coach trips for groups of 40-45 elderly people to Brighton and Kew Gardens. With the support of local MKA volunteers, HF refurbished the Staywell Banstead community centre. We also arranged a series of poetry classes to coincide with Silver Sunday in the UK in October.

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 increased by 102% during the year to £1.465 million owing to better marketing and more appeals.

Overall expenditure increased by 66% to £1.015 million primarily due to increase in expenditure on charitable activities.

The charity delivered a net surplus of £490,537 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.

### **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 meet the adequacy of working capital the trustees feel to build adequate contingency reserves to meet demands in case of disaster relief operations.

**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**

The trustees continue to explore new ways to increase efficiency and effectiveness of the delivery of objectives by the charity. The trustees aim to implement a robust plan to enhance the Charity's activities in education and healthcare for next year along with engaging with international bodies to put in place an effective disaster relief preparedness plan.

**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.



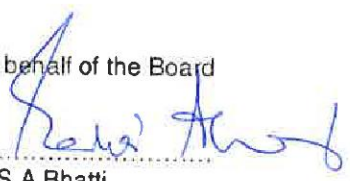
**Auditor**

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 S A Bhatti  
Vice Chairman, Board of Trustees

Date: 29/9/18

**HUMANITY FIRST**  
**INDEPENDENT AUDITOR'S REPORT**  
**FOR THE YEAR ENDED 31ST DECEMBER 2017**

**Opinion**

We have audited the financial statements Humanity First (the 'charitable company') for the year ended 31 December 2017 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2017, 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the charitable company's 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: 27/9/18

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 9QY

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 2017

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	2016 £
<b>INCOME AND ENDOWMENTS</b>					
Donations and legacies	9	511,241	953,431	1,464,672	723,679
Other trading activities		40,506	-	40,506	33,115
<b>Total Income</b>		<b>551,747</b>	<b>953,431</b>	<b>1,505,178</b>	<b>756,794</b>
<b>EXPENDITURE</b>					
Expenditure on Raising Funds	10	163,497	-	163,497	85,861
Expenditure on Charitable Activities	11	325,292	525,852	851,144	526,200
<b>Total Expenditure</b>		<b>488,789</b>	<b>525,852</b>	<b>1,014,641</b>	<b>612,061</b>
Net income/(Expenditure) and net movement in funds for the year		<b>62,958</b>	<b>427,579</b>	<b>490,537</b>	<b>144,733</b>
Transfer between reserves	12	( 12,751)	12,751	-	-
<b>Reconciliation of Funds</b>					
Total Funds brought forward		903,265	576,387	1,479,652	1,334,918
<b>Total reserves carried forward</b>		<b>953,472</b>	<b>1,016,717</b>	<b>1,970,189</b>	<b>1,479,651</b>

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 14 to 21 form a part of these Financial Statements

**HUMANITY FIRST**  
Company No.08253779  
**BALANCE SHEET**  
AS AT 31ST DECEMBER 2017

	Notes	2017 £	2017 £	2016 £	2016 £
<b><u>FIXED ASSETS</u></b>					
Tangible Assets	4		494,030		496,499
<b><u>CURRENT ASSETS</u></b>					
Stocks of merchandise	5	7,405			
Accrued Income		16,258			
Debtors & Prepayments	6	76,359		16,049	
Cash at bank		1,453,600		1,043,719	
		<u>1,553,622</u>		<u>1,059,768</u>	
<b><u>CURRENT LIABILITIES</u></b>					
Creditors - Due within one year	7	( 77,463)		( 76,616)	
Net Current Assets			1,476,159		983,152
Total Assets less Current Liabilities			1,970,189		1,479,651
Net Assets			<u>1,970,189</u>		<u>1,479,651</u>
Represented by:					
<b><u>FUNDS</u></b>					
Unrestricted funds	8		953,472		903,265
Restricted funds	8		1,016,717		576,386
Total charity funds			<u>1,970,189</u>		<u>1,479,651</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 14 to 21 form a part of these Financial Statements

The financial statements were approved by the Board of Trustees on 27/9/18

  
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 2017**

		2017 £	2016 £
<b>Cash flows from operating activities:</b>			
Net cash provided by (used in) operating activities	Note A	<u>445,052</u>	<u>145,673</u>
<b>Cash flows from investing activities:</b>			
Purchase of property, plant and equipment		( 11,531)	-
Net cash provided by (used in) investing activities		<u>( 11,531)</u>	<u>-</u>
<b>Cash flows from financing activities:</b>			
Repayments of borrowing		( 32,066)	( 42,317)
Net cash provided by (used in) financing activities		<u>( 32,066)</u>	<u>( 42,317)</u>
Change in cash and cash equivalents in the reporting period		401,455	103,356
Change due to unrealised foreign exchange gain/(loss)		8,426	35,201
Cash and cash equivalents at the beginning of the reporting period	Note B	<u>1,043,719</u>	<u>905,163</u>
Cash and cash equivalents at the end of the reporting period	Note B	<u><u>1,453,600</u></u>	<u><u>1,043,719</u></u>

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

<b>Net movement in funds for the reporting period (as per the statement of financial activities)</b>	490,536	144,733
Adjustments for:		
Depreciation charges	14,000	12,699
Interest included in repayments of borrowing	314	208
(Increase)/decrease in stocks	( 7,405)	4,232
(Increase)/decrease in debtors	( 76,568)	11,818
Increase/(decrease) in creditors	32,601	7,185
Unrealised foreign exchange (gain)/loss	( 8,426)	( 35,201)
<b>Net cash provided by (used in) operating activities</b>	<u>445,052</u>	<u>145,673</u>

Note B: Analysis of cash and cash equivalents

Cash at Bank	1,453,600	1,043,719
Total cash and cash equivalents	<u>1,453,600</u>	<u>1,043,719</u>

**HUMANITY FIRST**  
Registered Charity No. 1149693

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2017

**1. Accounting Policies**

**1.1 Basis of preparation of Financial Statements**

The financial statements have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 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.

**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 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 Stock**

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



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**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>2017</u>	<u>2016</u>
	£	£
Wages and salaries	76,883	67,343
Social Security Costs	<u>1,621</u>	<u>805</u>
Foreign Exchange (Gains)/Losses	<u>( 8,426)</u>	<u>( 35,201)</u>
Depreciation	<u>14,000</u>	<u>12,699</u>
Auditor's remuneration	<u>6,661</u>	<u>4,050</u>
Cost of stocks recognised as an expense	<u>27,786</u>	<u>12,731</u>
During the year, remuneration to key management totalled	<u>10,390</u>	<u>10,330</u>

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

	<u>2017</u>	<u>2016</u>
Full Time	3	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 (2016: £60,000).

**3. Bank Loan Interest**

The bank charges the following interest on loans:

	<u>2017</u>	<u>2016</u>
	£	£
Interest on Loan	<u>314</u>	<u>208</u>

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**4. Tangible Fixed Assets**

	<b>Total</b>	<b>Computer Equipment</b>	<b>Office Equipment</b>	<b>Land &amp; Building</b>
	£	£	£	£
<b>Cost</b>				
As at January 1, 2017	569,927	35,737	8,079	526,111
Additions during the year	11,531	1,035	10,496	-
Disposal during the year	-	-	-	-
As at December 31, 2017	581,458	36,772	18,575	526,111
<b>Depreciation</b>				
As at January 1, 2017	73,428	29,148	3,486	40,794
Charge for the year	14,000	1,525	2,769	9,706
As at December 31, 2017	87,428	30,673	6,255	50,500
<b>Net Book Value</b>				
As at December 31, 2017	494,030	6,099	12,320	475,611
As at December 31, 2016	496,499	6,589	4,593	485,317

**5. Stocks**

	<b>2017</b>	<b>2016</b>
	£	£
Stock of Merchandise held for sale	7,405	-

**6. Debtors & Prepayments**

	<b>2017</b>	<b>2016</b>
	£	£
Debtors	25,978	11,507
Advances to Countries	46,792	3,000
Prepayments	2,275	1,543
Social Security and Other Taxes	1,314	-
	76,359	16,049

**7. Creditors - Amounts falling due within one year**

	<b>2017</b>	<b>2016</b>
	£	£
Creditors	71,839	34,463
Social Security and Other Taxes	-	1,242
Accruals	5,624	9,160
Bank Loan	-	31,752
	77,463	76,616

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**8. Movement in Funds**

	Balance at 01.01.17	Donations	Expenditure	Transfer Between Reserves	Balance at 31.12.17
Unrestricted Reserves	903,265	551,747	( 488,789)	( 12,751)	953,472
Restricted Reserves (see Note 18)	576,387	953,431	( 525,852)	12,751	1,016,717
	<u>1,479,652</u>	<u>1,505,178</u>	<u>( 1,014,641)</u>	<u>-</u>	<u>1,970,189</u>

**9. Donation and Legacies**

	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
Disaster Relief	-	184,189	184,189	34,134
Projects	494,984	769,242	1,264,225	678,202
Gift Aid	16,257	-	16,257	11,343
Total Donations and Legacies	<u>511,241</u>	<u>953,431</u>	<u>1,464,672</u>	<u>723,679</u>

**10. Expenditure on Raising Funds**

	Direct Costs £	Support Costs £	Total Costs 2017 £	2016 £
Fundraising Expenses	113,053	-	113,053	54,559
Marketing & Advertising	14,578	-	14,578	11,366
Salaries and Wages	-	7,522	7,522	7,134
Subscriptions	-	558	558	72
Cost of Sales	27,786	-	27,786	12,731
	<u>155,417</u>	<u>8,080</u>	<u>163,497</u>	<u>85,861</u>

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<b>11. Expenditure on Charitable Activities</b>	Direct Costs £	Support Costs £	Total Costs 2017 £	2016 £
<b>a) Disaster Relief</b>				
Haiti Disaster	24,405	3,290	27,695	21,744
Gaza Disaster Relief	18,262	2,462	20,724	489
Rohingya Appeal	10,230	1,379	11,609	-
Syria Disaster	46,395	6,255	52,650	-
Grenfell Tower Appeal	47,265	6,283	53,548	-
East Africa Drought Appeal	9,230	1,244	10,474	-
Philippines Disaster Appeal	30,562	4,120	34,683	-
Disaster Relief Fund	60,316	643	60,959	6,288
	<u>246,666</u>	<u>25,675</u>	<u>272,341</u>	<u>28,521</u>
<b>b) Projects</b>				
Water for Life	163,390	34,728	198,119	161,693
Learn- A -Skill Centres	60,348	1,465	61,813	12,422
Global Health	25,050	4,396	29,446	-
Medical Camp	11,917	-	11,917	41,395
Benin Hospital	-	-	-	11,394
Food Security	52,445	11,292	63,737	46,008
Knowledge for Life	96,864	16,159	113,023	62,951
Gift of Sight	33,276	7,544	40,820	69,124
Orphan Care	2,000	453	2,453	34,348
	<u>445,290</u>	<u>76,038</u>	<u>521,328</u>	<u>439,335</u>
<b>c) Other Charitable Expenses</b>				
Countries Administration Costs	15,645	-	15,645	18,083
Others	8,570	-	8,570	16,036
	<u>24,215</u>	<u>-</u>	<u>24,215</u>	<u>34,119</u>
<b>d) Disaster Response Training</b>	<u>12,688</u>	<u>-</u>	<u>12,688</u>	<u>6,277</u>
<b>e) Governance Costs</b>				
Audit Fee	6,661	-	6,661	4,050
Annual Report	970	-	970	-
Countries Registration Costs	903	-	903	3,803
Salaries, Wages & Pension	-	12,038	12,038	10,094
	<u>8,535</u>	<u>12,038</u>	<u>20,573</u>	<u>17,947</u>
<b>Total expenditure on charitable activities</b>	<u>737,393</u>	<u>113,752</u>	<u>851,144</u>	<u>526,200</u>

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**12. 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 2017, transfers made for unrestricted reserves to cover shortfall in restricted reserves were as follows:

	2017	2016
Transfer between funds	12,751	-

**13. Analysis of Support Costs**

Support costs are allocated on the following basis;

Support Costs	Head Office	Projects	Governance	Fundraising	Total
Rates	1,527	1,654	-	-	3,180
Water Rates	199	216	-	-	415
Light & Heat	457	495	-	-	952
Office Cleaning	1,453	1,574	-	-	3,027
Misc. Office Expenses	26	28	-	-	54
Repair & Maintenance	802	869	-	-	1,672
Property Insurance	760	824	-	-	1,584
Service Charges	432	468	-	-	900
Staff Wages	36,433	21,393	11,729	7,329	76,883
Employer NIC	768	451	247	154	1,621
Employer Pension	193	113	62	39	408
Telephone & Internet	6,288	-	-	-	6,288
Printing, Postage & Stationery	4,034	-	-	-	4,034
Computer Peripherals	629	682	-	-	1,311
Website Promotion	892	967	-	-	1,859
Sundries	1,003	1,086	-	-	2,089
Carriage	-	-	-	-	-
Staff Welfare Expenses	911	986	-	-	1,897
Subscriptions	-	-	-	558	558
Bank Charges	7,213	-	-	-	7,213
Loan Interest	151	163	-	-	314
Depreciation	6,720	7,280	-	-	14,000
Foreign Exchange Gains	-	( 8,426)	-	-	( 8,426)
	70,891	30,823	12,038	8,080	121,832

**14. Analysis of Net Assets between Funds 2017**

	Unrestricted Funds	Restricted Funds	Total
	£	£	£
Fixed Assets	494,030	-	494,030
Cash and current investments	436,883	1,016,717	1,453,600
Other current assets/liabilities	22,559	-	22,559
Total	953,472	1,016,717	1,970,189

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Analysis of Net Assets between Funds 2016

	Unrestricted Funds	Restricted Funds	Total
	£	£	£
Fixed Assets	496,499	-	496,499
Cash and current investments	467,333	576,387	1,043,720
Other current assets/liabilities	( 60,567)	-	( 60,567)
Total	903,265	576,387	1,479,652

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.

**15. Financial Instruments**

Financial Instruments measured at amortised cost comprise the loan financing provided by Natwest to the Charity. The loan was repaid in full during 2017.

	2017	2016
	£	£
Loan payable (falling due within one year)	-	31,752
	-	31,752

**16. Related Party Transactions**

There was no remuneration paid to the Trustees in the year, nor expenses paid to Trustees. Donations made to the charity by Trustees in the year totalled £2,541 (2016: £6,105). Expenses reimbursed to Trustees in the year totalled £Nil (2016: £1,700).

Trustees expenses reimbursed in 2016 related to travel expenditure for visits to countries where Humanity First is conducting charitable projects.

There were no other related party transactions requiring disclosure (2016: None).

**17. 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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**18. Analysis of Restricted Funds**

Restricted Fund	Balance at 01.01.17	Donations	Expenditure	Transfer Between Reserves	Balance at 31.12.17
<b>a) Disaster Relief</b>					
Haiti Disaster	121,247	-	( 24,405)	-	96,842
Gaza Disaster Relief	16,435	30,688	( 18,262)	-	28,861
Rohingya Appeal	-	84,630	( 10,230)	-	74,400
Syria Disaster	49,517	14,233	( 46,395)	-	17,355
Grenfell Tower Appeal	-	46,603	( 46,603)	-	-
East Africa Drought Appeal	18,818	3,998	( 9,230)	-	13,585
Philippines Disaster Appeal	26,289	-	( 30,562)	4,273	-
Japan Disaster Appeal	19,571	-	-	-	19,571
Other Disaster Relief Funds	9,874	3,254	( 4,768)	592	8,952
<b>b) Projects</b>					
Water for Life	39,003	420,127	( 153,184)	2,395	308,340
Learn- A -Skill Centres	808	4,049	( 6,462)	1,605	-
Global Health	3,393	115,198	( 19,390)	1,505	100,706
Benin Hospital	8,602	-	-	-	8,602
Food Security	16,247	43,504	( 49,809)	-	9,943
Knowledge for Life	71,446	68,380	( 71,278)	2,380	70,928
Gift of Sight	77,809	75,919	( 33,276)	-	120,452
Orphan Care	97,328	42,065	( 2,000)	-	137,393
Other Projects Funds	-	784	-	-	784
	<b>576,387</b>	<b>953,431</b>	<b>( 525,852)</b>	<b>12,751</b>	<b>1,016,717</b>