

Registered number: 01820492
Charity number: 515755

HUMANKIND CHARITY
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

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HUMANKIND CHARITY
(A company limited by guarantee)

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HUMANKIND CHARITY
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2019**

Trustees

J Black, Chair
C G Matthews-Maxwell, Vice Chair
M W Treasure, Treasurer
A Boyt (appointed 1 April 2019)
I R Dewhirst
E Feltin (appointed 1 April 2019)
J R Foyle (appointed 1 April 2019)
C L Gitsham (appointed 12 December 2018)
V J Holmes
S Shepherd
A Shutkever (appointed 1 April 2019)
R Smith (resigned 12 December 2018)
G K Taylor (appointed 1 April 2019)

Company registered number

01820492

Charity registered number

515755

Registered office

Sapphire House
les Centre Horndale Avenue
Aycliffe Business Park
Newton Aycliffe
County Durham
DL5 6DS

Company secretary

C Horner

Senior management team

P Townsley, CEO
A Walker, Deputy CEO (retired 31 December 2018)
T Haughey, Executive Director - North East and North Yorkshire
A Headley, Executive Director - South, West Yorkshire and North West
E Chiswell, Executive Director - Business Development & Innovation
R Earl, Executive Director - Corporate Services (appointed 20 July 2018)
C McCreanor, Director of Operations - Humankind Housing
J MacPherson, Director of Corporate Strategic Project (resigned 1 June 2019)
L Taylor, Director of Operations - Integration, Work and Skills
S James, Director of Operations - Independent Living
Dr R Vaziri, Executive Clinical Director
A Hutchinson, Director of Operations - Health, Young People and Families
C Horner, Director of Finance
K Summerfield, Director of HR (appointed 4 March 2019)
C Chambers, Director of Operation - North East
L Wilson, Director of Operation - Leeds
E Todd, Director of Operation - West and South Yorkshire
M Wells, Director of Quality & Performance
L Howes, Director of Clinical Services

HUMANKIND CHARITY
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2019

Advisers (continued)

Independent auditors

Clive Owen LLP
Chartered Accountants and Statutory Auditors
140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

Bankers

Barclays Bank
49-51 Northumberland Street
Newcastle upon Tyne
NE1 7AF

Solicitors

Womble Bond Dickinson (UK) LLP
One Trinity
Broad Chare
Newcastle Upon Tyne
NE1 2HR

HUMANKIND CHARITY
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2019

The Trustees present their annual report together with the audited financial statements of the group and the charity for the 1 April 2018 to 31 March 2019. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The charity and the group is registered as a charitable company limited by guarantee and was set up by a Trust Deed.

The charity and the group is constituted under a Trust deed and is a registered charity number 515755.

The company was established under a Memorandum of Association that established the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles, the Trustees are elected at the Annual General Meeting (AGM). Rotation of Trustees requires that the longest serving one-third or nearest one-third of their number shall retire from office at each AGM but shall be eligible for re-election.

The Trustees reviewed Humankind's Memorandum and Articles in the light of changes to Charity and Company Law and made minor amendments in 2011.

Recruitment, training and appointment of Trustees

Humankind's governing body is a voluntary Board of Trustees, each of whom sits independently and do not represent any other agencies. The Trustees who held office during the 2018/19 financial year and at the time of writing of this report are set out on page 1.

Members of the Board of Trustees meet monthly and do not receive any remuneration. Where claimed, expenses are reimbursed. Travel expenses of £2,295 were reimbursed during this financial year.

Trustees are recruited using advertisements with potential trustees being invited to complete an application form. Humankind recruits Trustees who are able to offer a wide range of experience for the benefit of the organisation – these areas of expertise include business, marketing, education and quality. A panel of Trustees, together with the Chief Executive, meet with applicants to discuss Humankind's aims and objectives, outline their responsibilities as Trustees and ensure that there are no conflicts of interest and to answer any questions that applicants may have.

Interested applicants are then invited to join the Board of Trustees as lay members for a period of induction between three and six months. During this time they are also required to visit a number of Humankind's projects, view presentations and discuss key issues with other Board members and employees of the organisation.

Once this induction process is complete applicants are invited to join the Board as Trustees. Trustees' training is an on-going process via courses, presentation, events, visits and away days.

HUMANKIND CHARITY
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Management structure

The Board of Trustees are responsible for the strategic direction and policies of the organisation and are actively involved in the business planning. The Trustees monitor compliance with the business plan by monitoring key performance indicators set out in the plan. The Trustees also review management accounts on a monthly basis against financial projections which are produced at least twice yearly – to reflect the activities in the business plan.

The Chair of Trustees provides supervision and support for the Chief Executive. Responsibility for the day to day running of the company lies with the Chief Executive along with the Executive Directors – The Executives meet monthly with the Operational Directors who are responsible for the operational delivery units which deliver Humankind services.

Pay policy for key management personnel

Key management personnel pay review is undertaken by the Board Trustees, who assess and review competencies of those staff members. This review is taken on an annual basis and increments applied following approval by the board.

Disabled employees

The organisation fully complies with the Equality Act 2010. Humankind does not discriminate against employees because of mental or physical disability.

Related party relationships

More Time (UK) Limited is a wholly owned subsidiary company which was established to carry on trading activities complementing the work of Humankind Charity. Further details are stated in Note 12 to the financial statements.

Risk strategy

The risk management strategy is in place to review, evaluate and minimise any risks facing the organisation. The strategy covers insurance plans, financial risks, media planning, health & safety, IT, archiving and reconstruction of records, staff and service user safety, information governance, clinical governance and disaster recovery plans. The strategy is reviewed quarterly by the Integrated Governance Board and is then discussed at the Board Meeting. Quality systems and audit checks are embedded in our service delivery and we comply with various audit frameworks including Care Quality Commission (CQC), Ofsted, IIP and Matrix.

The principle risks and uncertainties we face include: reduced viability of contracts and continuing cuts; the need for a skilled and committed workforce who we need to ensure feel motivated and part of Humankind, ever changing and demanding inspection standards and demanding contract targets and outcomes. Management strategies include stringent vetting of bids and any potential liabilities they may bring; consulting with staff and implementing strong induction programme as well as reviewing our vision, mission and values with staff; employing an experienced Quality team to work with Directors and staff to embed, monitor and address contractual performance and quality standards. Our work going forward into 2019/20 will again build on the strong foundations already laid.

HUMANKIND CHARITY
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Public benefit

From 1 April 2008, section 4 of the Charities Act 2006 requires all charities to meet the legal requirement that its aims are for the public benefit. The Trustees confirm that they have complied with the duty to have due regard to the Charity Commission's general guidance on public benefit.

The Charity Commission states that there are two principles to be met in order to show that an organisation's aims are for the public benefit; firstly, there must be an identifiable benefit or benefits and secondly that the benefit must be to the public, or a section of the public. The Trustees are satisfied that the aims and objectives of the charity, and the activities reported on above, meet these principles.

OBJECTIVES AND ACTIVITIES

Summary of Humankind's Areas of Work

Our vision is for people of all ages to be safe, building ambitions for the future and reaching towards their full potential. To do this we create services and support to meet people's complex health and social needs, helping them to build healthier lives that have meaning and value for themselves and their families. We support local people to create stronger, better-connected communities.

In pursuit of our vision, we deliver:

- **Young People & Families Services:** Humankind works with people from all different stages of their life course. We offer support to vulnerable young people and young adults who have a range of different needs, as well as their carers and their wider families.
- **Health & Wellbeing Services:** One of the core aspects of Humankind's vision is for people to be safe, and therefore we see it as vital that the people that use our services, their families and their communities are healthy. Our health services range from lifestyle or behavioural advice through to clinical delivery, and these services are delivered across a national footprint.
- **Drug & Alcohol Recovery:** We deliver high quality substance misuse services which reduce harm, support behaviour change, promote recovery and offer comprehensive wraparound support for adults and young people.
- **Criminal Justice:** We deliver services to help those who are actively offending, or who have historically offended, to move towards a more positive lifestyle.
- **Housing & Independent Living:** Humankind Housing is a Registered Provider offering housing and property management/services. We also provide services which support vulnerable people to get the right tenancy for them, and to develop the skills to maintain that tenancy.
- **Education & Employment:** Humankind offers specialist education and employment services which offers vulnerable people the valuable opportunity to identify and address any barriers to their employment, to advocate with employers and to create opportunities which lead to healthier, positive and more stable lives.

Our impact

Examples of our impact in 2018/19 include:

Organisation-wide:

- Volunteers across our services gave a total of 20,356 hours
- Humankind supported 28,135 people across our services

Education & Employment:

- We supported 1,697 individuals within our Work & Skills services
- Our Steps for Success service is rated as 'Grade 1 Outstanding'
- 97% of those using the service would recommend us to others

HUMANKIND CHARITY
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

OBJECTIVES AND ACTIVITIES (continued)

Our impact (continued)

Housing & Independent Living:

- Our housing service accommodated 515 vulnerable people
- 75% of tenants surveyed stated they would recommend Humankind Housing to others
- 2,210 people exited our Independent Living services and were successfully supported to achieve their desired outcomes;
 - o 99% were supported to develop confidence and the ability to have greater choice or control
 - o 97% to better manage their mental health
 - o 97% to better manage their physical health
 - o 97% to better manage their overall debt
 - o 91% were supported to participate in training/education
 - o 93% were supported into employment

Drug & Alcohol Recovery:

- 19,466 people were supported through our recovery services and 3,670 adults exited our services in a positive, planned way having achieved abstinence or reduced their substance use
- For those in treatment within the last 12 months, 3,804 individuals reported an improvement psychological health, 3,428 reported improved physical health and 3,773 said their Quality of Life had improved at point of treatment review
- 339 people who used opiates reported achieving abstinence or had reliably reduced their use to safer levels
- 856 people who used alcohol reported achieving abstinence or reliably reduced their use to safer levels

New Services/Areas

During 2018-19, we were successfully awarded and/or mobilised:

- South Tyneside Drug and Alcohol Recovery Service, in partnership with Spectrum CIC
- Barnsley Complex Needs Service
- Sheffield The Greens Abstinence-based Supported Accommodation (existing service)
- South Tyneside Young Carers Service
- Barnsley Women's Centre
- Liaison & Diversion delivery in North Yorkshire, Durham (including Darlington) and Cleveland, in partnership with TEVV NHS Foundation Trust and Spectrum CIC
- Manchester Redbank Service (existing service)
- Manchester Resettlement Floating Support Service
- Horizons Young Adult Carers (existing service)
- North Yorkshire Horizons Drug and Alcohol Recovery Service, in partnership with Spectrum CIC and Changing Lives (existing service)

The above achievements highlight Humankind's strong performance, community integration and innovative business development.

During 2018-19 Humankind's Board and Executive Management Team further agreed to merge with Blenheim CDP, a London-based social action charity which delivers drug and alcohol services across a number of London Boroughs. This exciting progression, which went live in April 2019, has expanded Humankind's range and coverage of services, whilst retaining Blenheim CDP's experience and ability to deliver impactful services across London and the South of England.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

FINANCIAL REVIEW

Our focus this year has been to strengthen and consolidate our financial position. We have monitored cash and net current assets closely whilst undergoing a period of growth. We have also continued to invest in property for use by vulnerable service users. We recognise the need to make our charitable funds work for our beneficiaries and we feel that we have achieved a lot this year with the resources at our disposal.

The majority of our funding is still obtained by tendering for the delivery of our specialist services. Our funders include Local Authorities, CCG's, Skills Funding Agency, the Big Lottery, DWP and charitable grants and donations. Total group income for the year was £38,102,231, an increase of 19% on 2017/18, with a group surplus of funds totalling £925,895. Total group funds carried forward of £4,236,527 comprise group unrestricted funds totalling £4,052,672 and restricted funds totalling £183,855.

Restricted funds relate to unspent elements of funds received for restricted purposes.

The increase in income mainly relates to growth in our Drug & Alcohol Services – with the start of a new contract in South Tyneside (STARS) and a full year of the County Durham contract.

Humankind purchased services from More Time (UK) Limited (More Time) to the value of £39,579. This related to miscellaneous repairs, decorating to premises and cleaning work. This represents 15% of More Time's income for the year. More Time has made a deficit of £10,893 in the year.

We have continued to exercise tight financial controls over cash flow and to retain a high level of liquidity that is adequate for us to service our existing commitments and to invest in our growth areas.

Reserves policy

The Trustees have established a policy whereby the unrestricted funds not committed or invested in fixed assets (free reserves) held by Humankind should, ideally, represent at least three months of total resources expended. Such a level of reserves would provide a buffer to enable the organisation to make provision for the loss of a major service whilst maintaining effective management and administration of the charity. These reserves also provide working capital to enable development of service provision.

Based on the above, target reserves would have been £9,234,640. The actual free reserves do not represent that target and as such fall short of our baseline. However, the unrestricted reserves total £4,052,672 which represents 44% of our target. We therefore continue to work to this key target in our business plan to try and increase our reserves, but this is extremely difficult with such tight funding regimes and many projects running on defrayed expenditure basis.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

FINANCIAL REVIEW (continued)

Value for money statement

Humankind is committed to delivering Value for Money (VfM) as an integral part of its business strategy.

The aims and objectives of VfM will be incorporated within each Service Delivery Units (SDU) Business Plans and will be imbedded across all areas of service delivery.

It is our aim to continually assess opportunities to enhance our services and actively involve our employees, service users and partners to achieve value for money.

We will continually seek value by sourcing the best materials at the best price. We will always look for ways to make our services work more efficiently and effectively.

To meet our commitment to achieving VfM, Humankind has set itself the following objectives:

- Integrate VfM principles throughout the organisation
- Incorporate VfM within everything we do
- Avoid duplication and simplify processes
- Identify ineffective processes and implement appropriate changes
- Adopt recognised good practice to identify VfM opportunities and procedures
- Seek innovative methods to achieve VfM both in value and savings
- Respond to opportunities that enhance our VfM objectives
- Ensure all staff recognise how their actions impacts on VfM
- Promote VfM across our services, with service users, partners and Boards
- Build strong partnerships with suppliers and contractors
- Seek continuous improvement to achieve efficiency

Value for Money Metrics as at 31st March 2019

		2019	2018
Metric 1	Reinvestment %	24%	44%
Metric 2A	New supply delivered % (Social housing units)	25%	40%
Metric 2B	New supply delivered % (Non-social housing units)	N/A	N/A
Metric 3	Gearing %	-184%	-189%
Metric 4	EDITDA Interest Cover %	6039%	9413%
Metric 5	Headline social housing cost per unit	£7,707	£6,916
Metric 6A	Operating margin % (Social housing lettings only)	5%	4%
Metric 6B	Operating margin % (Overall)	3%	2%
Metric 7	Return on capital employed	21%	15%

The above metrics are based on the whole trust due to the difficulties to separate the housing element.

Plans for the future

Humankind will continue to deliver health and social care services, making a real difference to people and their communities.

Our strategic plans for the future are based on further strengthening our foundations whilst continuing to grow in key strategic areas and further strengthening our national voice. Our growth will be with the aid of key partnerships to further enhance our offer and ensuring our service users get the best services to address their needs.

Underpinning our strategy, we will also be ensuring our workforce feels valued and engaged, so that they can continue to deliver the best for our clients.

HUMANKIND CHARITY
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

Trustees' responsibilities statement

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

This report was approved by the Trustees, on 26 September 2019 and signed on their behalf by:



J Black, Chair

HUMANKIND CHARITY
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HUMANKIND CHARITY

Opinion

We have audited the financial statements of Humankind Charity (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the Group Consolidated Statement of Financial Activities incorporating income and expenditure account, the Group Consolidated Balance Sheet, the Group Consolidated Statement of Cash Flows and the related notes, 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 group's and of the parent charitable company's affairs as at 31 March 2019 and of the group's 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 group's or the parent 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 Annual report, other than the financial statements and our Auditors' 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.

HUMANKIND CHARITY
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HUMANKIND CHARITY

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Group strategic report have 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' 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:

- the parent charity has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charity 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 group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

HUMANKIND CHARITY
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HUMANKIND CHARITY

Auditors' 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 Auditors' 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 Auditors' 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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Christopher Beaumont BA(Hons) FCA DChA (Senior Statutory Auditor)

for and on behalf of

Clive Owen LLP

Chartered Accountants and Statutory Auditors

140 Coniscliffe Road
Darlington
County Durham
DL3 7RT
26 September 2019

HUMANKIND CHARITY
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND
EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:					
Donations and legacies	2	156,258	32,882	189,140	269,264
Charitable activities	3	22,652,927	15,168,743	37,821,670	31,533,620
Other trading activities		41,380	-	41,380	106,225
Investments	4	17,057	-	17,057	4,456
Other income		32,984	-	32,984	91,730
TOTAL INCOME		22,900,606	15,201,625	38,102,231	32,005,295
EXPENDITURE ON:					
Raising funds		237,778	-	237,778	270,535
Charitable activities		21,724,140	15,214,418	36,938,558	31,044,878
TOTAL EXPENDITURE		21,961,918	15,214,418	37,176,336	31,315,413
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS					
Transfers between Funds	16	938,688 (172)	(12,793) 172	925,895 -	689,882 -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		938,516	(12,621)	925,895	689,882
NET MOVEMENT IN FUNDS		938,516	(12,621)	925,895	689,882
RECONCILIATION OF FUNDS:					
Total funds brought forward		3,114,156	196,476	3,310,632	2,620,750
TOTAL FUNDS CARRIED FORWARD		4,052,672	183,855	4,236,527	3,310,632

The notes on pages 17 to 37 form part of these financial statements.

HUMANKIND CHARITY
(A company limited by guarantee)
REGISTERED NUMBER: 01820492

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2019

	Note	£	2019 £	£	2018 £
FIXED ASSETS					
Tangible assets	11		4,400,286		3,974,564
Investments	12		35,001		20,001
			<u>4,435,287</u>		<u>3,994,565</u>
CURRENT ASSETS					
Stocks		58,945		67,125	
Debtors	13	4,944,294		4,898,942	
Cash at bank and in hand		5,673,775		4,566,754	
		<u>10,677,014</u>		<u>9,532,821</u>	
CREDITORS: amounts falling due within one year	14	(9,672,600)		(9,045,546)	
NET CURRENT ASSETS			<u>1,004,414</u>		<u>487,275</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,439,701</u>		<u>4,481,840</u>
CREDITORS: amounts falling due after more than one year	15		(1,203,174)		(1,171,208)
NET ASSETS			<u>4,236,527</u>		<u>3,310,632</u>
CHARITY FUNDS					
Restricted funds	16		183,855		196,476
Unrestricted funds	16		4,052,672		3,114,156
TOTAL FUNDS			<u>4,236,527</u>		<u>3,310,632</u>

The financial statements were approved and authorised for issue by the Trustees on 26 September 2019 and signed on their behalf, by:



C Matthews-Maxwell

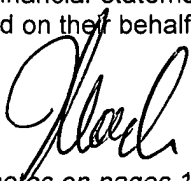
The notes on pages 17 to 37 form part of these financial statements.

HUMANKIND CHARITY
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REGISTERED NUMBER: 01820492

CHARITY BALANCE SHEET
AS AT 31 MARCH 2019

	Note	£	2019 £	£	2018 £
FIXED ASSETS					
Tangible assets	11		4,399,561		3,974,564
Investments	12		35,002		20,002
			<u>4,434,563</u>		<u>3,994,566</u>
CURRENT ASSETS					
Stocks		57,129		57,008	
Debtors	13	5,162,194		5,109,804	
Cash at bank		5,656,558		4,555,206	
		<u>10,875,881</u>		<u>9,722,018</u>	
CREDITORS: amounts falling due within one year	14	(9,658,188)		(9,033,082)	
NET CURRENT ASSETS			<u>1,217,693</u>		<u>688,936</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,652,256</u>		<u>4,683,502</u>
CREDITORS: amounts falling due after more than one year	15		(1,203,174)		(1,171,208)
NET ASSETS			<u>4,449,082</u>		<u>3,512,294</u>
CHARITY FUNDS					
Restricted funds			183,855		196,476
Unrestricted funds			4,265,227		3,315,818
TOTAL FUNDS			<u>4,449,082</u>		<u>3,512,294</u>

The financial statements were approved and authorised for issue by the Trustees on 26 September 2019 and signed on their behalf, by:



The notes on pages 17 to 37 form part of these financial statements.

HUMANKIND CHARITY
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	18	<u>2,214,428</u>	<u>1,545,166</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		17,057	4,456
Proceeds from the sale of tangible fixed assets		-	34,698
Purchase of tangible fixed assets		(1,084,352)	(1,587,719)
Purchase of investments		(10,000)	-
Net cash used in investing activities		<u>(1,077,295)</u>	<u>(1,548,565)</u>
Cash flows from financing activities:			
Repayments of borrowings		(30,112)	(29,524)
Net cash used in financing activities		<u>(30,112)</u>	<u>(29,524)</u>
Change in cash and cash equivalents in the year		1,107,021	(32,923)
Cash and cash equivalents brought forward		<u>4,566,754</u>	<u>4,599,677</u>
Cash and cash equivalents carried forward	19	<u><u>5,673,775</u></u>	<u><u>4,566,754</u></u>

The notes on pages 17 to 37 form part of these financial statements.

HUMANKIND CHARITY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 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. The Statement of Recommended Practice accounting for Registered Social Housing providers update 2014 and comply with the Accounting Direction for Private Registered Providers of Social Housing 2019.

Humankind Charity 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.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the charity alone as permitted by section 408 of the Companies Act 2006.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

1.2 COMPANY STATUS

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

HUMANKIND CHARITY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

Voluntary income is received by way of donations and is included in full in the Statement of Financial Activities when received.

Income from charitable activities includes income recognised as earned where the related services are provided under contract or where entitlement to grant funding is subject to specific performance conditions. Grant income included in funding is subject to specific performance conditions. Grant income included in this category provides funding to support activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Income is deferred where grants have been received for a future period and is released to incoming resources in the period for which it has been received.

Grants received for the purchase of fixed assets are recognised in full when received in the Statement of Financial Activities.

Investment income is recognised on a receivable basis.

Property rental income represents all rental and service charge receivable when it falls due and amortised capital grant.

All incoming resources are included gross and no expenditure has been netted off from the income.

1.4 EXPENDITURE

Expenditure is recognised on an actual basis when a liability is incurred. Expenditure is net of recoverable VAT where conditions for recovery are met. All other expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Costs of generating funds comprises the support costs from central functions associated with attracting voluntary income.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include governance, finance, information technology, human resources and quality. These costs have been allocated to expenditure on charitable activities.

Charitable activities and Governance costs are costs incurred on the charity's operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

HUMANKIND CHARITY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES (continued)

1.5 BASIS OF CONSOLIDATION

The financial statements consolidate the accounts of Humankind Charity and its subsidiary undertakings.

The charity has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and expenditure account.

1.6 TURNOVER

Turnover comprises revenue recognised by the charity in respect of goods and services supplied during the year, exclusive of Value Added Tax.

1.7 INTANGIBLE FIXED ASSETS AND AMORTISATION

Intangible assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

HUMANKIND CHARITY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES (continued)

1.8 TANGIBLE FIXED ASSETS AND DEPRECIATION

When equipment is acquired for use by a specific project then the depreciation rate reflects the anticipated duration of that project. Leasehold premises renovations are depreciated in full over the full period of the lease or, where applicable up to the date of the first 'break' clause.

Housing properties

Housing properties are stated at cost less accumulated depreciation.

Where a housing property comprises two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred.

Freehold housing properties are depreciated by component on a straight-line basis over the estimated UELs of the component categories.

UELs for identified components are as follows:

	Years
Structures	50
Roof	25
Kitchen	10
Bathroom	10
Heating system	10
Windows	10
Doors	10

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% on cost
Motor vehicles	-	25 % on cost
Fixtures and fittings	-	20% - 50% on cost

HUMANKIND CHARITY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES (continued)

Social housing grant

Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and recognised over the estimated useful life of the asset structure, under the accruals model.

On disposal of properties which have been wholly or partly by Social Housing Grant, the grant is recycled as required by the Homes and Communities Agency, and will be utilised against future approved projects.

Recycling of capital grants

Where Social Housing Grant is recycled, as described above, the Social Housing Grant is credited to a fund which is shown as a creditor until used to fund the acquisition of new properties.

Impairments

Housing properties are assessed at each year end to assess whether or not there is any evidence that an asset may be impaired. If there is evidence of impairment, an impairment loss is recognised in the Statement of Financial Activities immediately.

Major Repairs

Major repairs are capitalised to the extent that they relate to the replacement or restoration of a separately identified property component or where the expenditure results in the enhancement of the economic benefits of the assets such as an increase in rental income, a reduction in future maintenance costs or a significant extension to its useful economic life. In any other circumstances repairs are charged to the income and expenditure account as incurred.

1.9 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

1.10 INTEREST RECEIVABLE

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

1.11 LEASING AND HIRE PURCHASE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the charity. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

HUMANKIND CHARITY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES (continued)

1.12 STOCKS

Stock is valued at the lower of cost and net realisable value. Stock comprises I.T. equipment, stationery, refreshments, cartridges and marketing material held for future use.

1.13 CASH AT BANK AND IN HAND

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

1.14 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.15 FINANCIAL INSTRUMENTS

Basic financial instruments are recognised at amortised cost with changes recognised in profit or loss.

1.16 PENSIONS

The charity operates a defined contribution pension scheme. The charity has no liability under the scheme other than payment of those contributions to a separately administered fund. The charity also has two members of staff who are members of the West Yorkshire Pension Fund, a Local Government Pension Scheme (LGPS). This is a defined benefit scheme. The charity has obtained an LGPS valuation as at 31 March 2019 showing a liability of £158,000 (2018: £69,000). This has not been included within the financial statements on the grounds of materiality.

1.17 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Where a deficit arises on restricted funds, a transfer from unrestricted funds will be made to offset the deficit.

HUMANKIND CHARITY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

1. ACCOUNTING POLICIES (continued)

1.18 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of the asset. An estimate of the useful life of the assets is detailed in the tangible fixed assets and depreciation accounting policy. The value of depreciation charge during the year was £658,630.

Pensions

As noted in policy 1.16 above the charity has a defined benefit scheme. Given the relative size of the deficit as at 31 March 2019 of £158,000 (2018: £69,000) the charity has not included this liability.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	156,258	32,882	189,140	269,264
<i>Total 2018</i>	238,311	30,953	269,264	

HUMANKIND CHARITY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Central support services	3,358	-	3,358	-
Young people and families	1,657,581	596,095	2,253,676	2,195,624
Health	14,702,119	13,519,649	28,221,768	22,706,315
Criminal justice	566,578	-	566,578	505,525
Housing and independent living	5,475,429	60,267	5,535,696	4,979,563
Education and employment	247,862	992,732	1,240,594	1,146,593
	<u>22,652,927</u>	<u>15,168,743</u>	<u>37,821,670</u>	<u>31,533,620</u>
<i>Total 2018</i>	<u>16,804,116</u>	<u>14,729,504</u>	<u>31,533,620</u>	

4. INVESTMENT INCOME

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Investment income	17,057	-	17,057	4,456
	<u>17,057</u>	<u>-</u>	<u>17,057</u>	<u>4,456</u>
<i>Total 2018</i>	<u>4,456</u>	<u>-</u>	<u>4,456</u>	

5. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2019 £	Governance 2019 £	Support costs 2019 £	Total 2019 £	Total 2018 £
Central support services	-	93,410	318,823	412,233	304,731
Young people and families	1,955,987	-	217,110	2,173,097	2,025,531
Health	25,943,083	-	1,359,672	27,302,755	22,296,673
Criminal justice	-	-	504,013	504,013	457,859
Housing and independent living	4,961,271	-	352,211	5,313,482	4,816,171
Education and employment	1,134,826	-	98,152	1,232,978	1,143,913
	<u>33,995,167</u>	<u>93,410</u>	<u>2,849,981</u>	<u>36,938,558</u>	<u>31,044,878</u>
<i>Total 2018</i>	<u>28,291,311</u>	<u>71,591</u>	<u>2,681,976</u>	<u>31,044,878</u>	

Support costs and governance costs have been apportioned across charitable activities on a basis consistent with use of resources as disclosed in note 1.4.

HUMANKIND CHARITY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

6. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets:		
- owned by the charitable group	658,630	637,432
Operating lease rentals	969,733	1,212,135
	<u> </u>	<u> </u>

During the year, no Trustees received any remuneration (2018 - £NIL).

During the year, no Trustees received any benefits in kind (2018 - £NIL).

3 Trustees received reimbursement of expenses amounting to £2,295 in the current year, (2018 - 3 Trustees - £1,476).

7. AUDITORS' REMUNERATION

	2019 £	2018 £
Fees payable to the charity's auditor and its associates for the audit of the charity's annual accounts	17,200	14,507
Fees payable to the charity's auditor and its associates in respect of:		
All other non-audit services not included above	1,000	-
	<u> </u>	<u> </u>

HUMANKIND CHARITY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

8. STAFF COSTS

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	19,590,550	15,325,147
Social security costs	1,626,185	1,301,032
Other pension costs	759,545	659,806
	<u>21,976,280</u>	<u>17,285,985</u>

The average number of persons employed by the charity during the year was as follows:

	2019 No.	2018 No.
Charitable activities	766	660
Governance	2	2
Support activities	71	63
Generating funds	30	32
	<u>869</u>	<u>757</u>

The number of higher paid employees was:

	2019 No.	2018 No.
In the band £60,001 - £70,000	0	2
In the band £70,001 - £80,000	2	0
In the band £80,001 - £90,000	0	1
In the band £90,001 - £100,000	1	0
In the band £100,001 - £110,000	1	1

The key management personnel are the executive directors of the charity, benefits totalled £640,474 (2018: £279,588).

HUMANKIND CHARITY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

9. INCOME AND EXPENDITURE FROM SOCIAL HOUSING

	Supported Housing 2019 £	<i>Supported Housing 2018 £</i>
Income from social housing letting activities		
Rent receivable	2,329,496	2,047,992
Service charge income	-	-
	<hr/>	<hr/>
Gross rents receivable	2,329,496	2,047,992
Rent losses from voids	(506,466)	(322,638)
	<hr/>	<hr/>
Net rents receivable	1,823,030	1,725,354
Amortised government grants	64,816	64,360
Other income	26,246	10,697
	<hr/>	<hr/>
Total income from social housing letting activities	1,914,092	1,800,411
	<hr/>	<hr/>
Expenditure on social housing letting activities		
Management	287,514	241,301
Other costs	1,325,672	1,226,142
Maintenance	71,037	126,870
Depreciation	155,103	140,181
	<hr/>	<hr/>
Total expenditure on social housing letting activities	1,839,326	1,734,494
	<hr/>	<hr/>
Operating surplus on social housing letting activities	74,766	65,917
	<hr/>	<hr/>
	2019 Units	2018 Units
Accommodation in Management		
Supported housing	248	236

HUMANKIND CHARITY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

10. INTANGIBLE FIXED ASSETS

	Goodwill £
GROUP COST	
At 1 April 2018 and 31 March 2019	42,000
AMORTISATION	
At 1 April 2018 and 31 March 2019	42,000
CARRYING AMOUNT	
At 31 March 2019	-
At 31 March 2018	-

11. TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold property improve- ments £	Motor vehicles £	Fixtures and fittings £	Total £
GROUP COST					
At 1 April 2018	3,240,212	1,759,422	110,625	1,269,673	6,379,932
Additions	729,062	264,029	-	91,261	1,084,352
At 31 March 2019	3,969,274	2,023,451	110,625	1,360,934	7,464,284
DEPRECIATION					
At 1 April 2018	283,233	1,192,946	31,786	897,403	2,405,368
Charge for the year	125,556	319,928	24,067	189,079	658,630
At 31 March 2019	408,789	1,512,874	55,853	1,086,482	3,063,998
NET BOOK VALUE					
At 31 March 2019	3,560,485	510,577	54,772	274,452	4,400,286
At 31 March 2018	2,956,979	566,476	78,839	372,270	3,974,564

HUMANKIND CHARITY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

	Freehold property £	Leasehold property improve- ments £	Motor vehicles £	Fixtures and fittings £	Total £
CHARITY					
COST					
At 1 April 2018	3,233,492	1,759,422	110,625	1,265,628	6,369,167
Additions	729,062	264,029	-	90,208	1,083,299
At 31 March 2019	<u>3,962,554</u>	<u>2,023,451</u>	<u>110,625</u>	<u>1,355,836</u>	<u>7,452,466</u>
DEPRECIATION					
At 1 April 2018	276,513	1,192,946	31,786	893,358	2,394,603
Charge for the year	125,556	319,928	24,067	188,751	658,302
At 31 March 2019	<u>402,069</u>	<u>1,512,874</u>	<u>55,853</u>	<u>1,082,109</u>	<u>3,052,905</u>
NET BOOK VALUE					
At 31 March 2019	<u>3,560,485</u>	<u>510,577</u>	<u>54,772</u>	<u>273,727</u>	<u>4,399,561</u>
At 31 March 2018	<u>2,956,979</u>	<u>566,476</u>	<u>78,839</u>	<u>372,270</u>	<u>3,974,564</u>

12. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
GROUP	
MARKET VALUE	
At 1 April 2018	20,001
Additions	15,000
At 31 March 2019	<u>35,001</u>

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the company:

Name	Holding
Northern Inclusion Consortium Limited	25%
More Time (UK) Limited	100%

The aggregate of the share capital and reserves as at 31 March 2019 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Northern Inclusion Consortium Limited	71,237	17,641
More Time (UK) Limited	(320,359)	(10,893)

HUMANKIND CHARITY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

12. FIXED ASSET INVESTMENTS (continued)

CHARITY	Shares in group undertakings £
MARKET VALUE	
At 1 April 2018	20,002
Additions	15,000
	<hr/>
At 31 March 2019	35,002
	<hr/> <hr/>

13. DEBTORS

	GROUP		CHARITY	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	3,743,445	3,420,187	3,807,487	3,484,087
Amounts owed by group undertakings	-	-	117,854	115,522
Amounts owed by undertakings in which the company has a participating interest	-	-	36,219	35,842
Other debtors	31,656	34,530	31,656	30,354
Prepayments and accrued income	1,169,193	1,444,225	1,168,978	1,443,999
	<hr/>	<hr/>	<hr/>	<hr/>
	4,944,294	4,898,942	5,162,194	5,109,804
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		CHARITY	
	2019	2018	2019	2018
	£	£	£	£
Bank loans and overdrafts	31,360	30,290	31,360	30,290
Trade creditors	2,341,020	1,749,195	2,357,205	1,761,695
Other taxation and social security	586,295	542,154	568,321	527,231
Grants	276,887	227,165	276,887	227,165
Other creditors	306,298	374,916	306,038	374,782
Accruals and deferred income	6,130,740	6,121,826	6,118,377	6,111,919
	<hr/>	<hr/>	<hr/>	<hr/>
	9,672,600	9,045,546	9,658,188	9,033,082
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

HUMANKIND CHARITY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

	<u>GROUP</u>		<u>CHARITY</u>	
	£	£	£	£
DEFERRED INCOME				
Deferred income at 1 April 2018	5,066,902	2,812,300	5,066,362	2,811,910
Resources deferred during the year	4,494,482	5,066,902	4,493,942	5,066,362
Amounts released from previous years	(5,066,902)	(2,812,300)	(5,066,362)	(2,811,910)
Deferred income at 31 March 2019	<u>4,494,482</u>	<u>5,066,902</u>	<u>4,493,942</u>	<u>5,066,362</u>

Deferred income comprises amounts received for use in future accounting periods.

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>GROUP</u>		<u>CHARITY</u>	
	2019 £	2018 £	2019 £	2018 £
Bank loans	289,083	320,265	289,083	320,265
Other creditors	914,091	850,943	914,091	850,943
	<u>1,203,174</u>	<u>1,171,208</u>	<u>1,203,174</u>	<u>1,171,208</u>

Included within the above are amounts falling due as follows:

	<u>GROUP</u>		<u>CHARITY</u>	
	2019 £	2018 £	2019 £	2018 £
BETWEEN ONE AND TWO YEARS				
Bank loans	<u>289,083</u>	<u>320,265</u>	<u>289,083</u>	<u>320,265</u>

The bank loans are secured by way of a first legal charge. Interest is charged at annual rates from 1.5% over base rate to 5%.

16. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2019 £
UNRESTRICTED FUNDS					
Unrestricted funds	<u>3,114,156</u>	<u>22,900,606</u>	<u>(21,961,918)</u>	<u>(172)</u>	<u>4,052,672</u>

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16. STATEMENT OF FUNDS (continued)

RESTRICTED FUNDS

Big lottery	73,851	1,638,803	(1,638,804)	-	73,850
Independent living	21,084	47,732	(47,732)	-	21,084
Drugs and alcohol	3,645	11,776,882	(11,778,037)	-	2,490
Health, young people and families	97,896	597,095	(608,560)	-	86,431
Work and skills	-	994,002	(994,002)	-	-
Plug in Hull	-	107,120	(107,292)	172	-
Humankind housing	-	39,991	(39,991)	-	-
	<u>196,476</u>	<u>15,201,625</u>	<u>(15,214,418)</u>	<u>172</u>	<u>183,855</u>
Total of funds	<u>3,310,632</u>	<u>38,102,231</u>	<u>(37,176,336)</u>	<u>-</u>	<u>4,236,527</u>

Name of restricted fund, description, nature and purpose of the fund.

Big Lottery - WY-FI (main contract)

Aims to improve the lives and well being of people with entrenched multiple needs, who are currently the most disengaged and disconnected from services.

Health, young people and families

Offering vocational training to young people whom may have left school without any qualifications. Offering support advice to young people with LGBT concerns and interest both personally or within their family.

Drugs and alcohol

Supporting people to enter recovery oriented drug and alcohol service, choose abstinence, achieve recovery, reduce risk taking behaviour and improve local communities. Integrated substance misuse service that encourages, supports and empowers individuals to take responsibility and control of their lives.

Independent living

Helping vulnerable people in the community who may be homeless, at risk of homelessness or at risk of losing their tenancy. Providing services which support vulnerable people to get the right tenancy for them, and to develop the skills to maintain that tenancy.

Work and skills

Offering specialist education and employment services to vulnerable people to identify and address the barriers to their employment, to advocate with employers and to create opportunities which lead to healthier, positive and more stable lives.

Plug in hull

Working with people in Hull to combat social exclusion by providing activities such as arts and crafts and peer led mutual aid.

Humankind housing

A registered provider of housing offering a solution that means we can provide housing for people with issues often considered by private landlords to be high risk. Humankind Housing has stepped in with a solution that bridges the divide.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

16. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2018 £
GENERAL FUNDS					
Unrestricted funds	2,424,274	17,244,838	(16,632,669)	77,713	3,114,156
RESTRICTED FUNDS					
Big lottery	73,851	1,839,998	(1,833,129)	(6,869)	73,851
Independent living	21,084	44,636	(44,636)	-	21,084
Drugs and alcohol	3,645	11,441,400	(11,356,633)	(84,767)	3,645
Health, young people and families	97,896	524,536	(530,941)	6,405	97,896
Work and skills	-	840,469	(849,973)	9,504	-
Plug in Hull	-	56,143	(54,821)	(1,322)	-
Humankind housing	-	13,275	(12,611)	(664)	-
	196,476	14,760,457	(14,682,744)	(77,713)	196,476
Total of funds	2,620,750	32,005,295	(31,315,413)	-	3,310,632

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	3,998,766	401,520	4,400,286
Fixed asset investments	35,001	-	35,001
Current assets	10,677,014	-	10,677,014
Creditors due within one year	(9,454,935)	(217,665)	(9,672,600)
Creditors due in more than one year	(1,203,174)	-	(1,203,174)
	4,052,672	183,855	4,236,527

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17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	3,974,565	925,039	3,974,564
Fixed asset investments	20,002	-	20,001
Current assets	9,722,019	-	9,532,821
Creditors due within one year	(9,033,083)	(728,563)	(9,045,546)
Creditors due in more than one year	(1,171,208)	-	(1,171,208)
	<u>3,512,295</u>	<u>196,476</u>	<u>3,310,632</u>

18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	GROUP	
	2019	2018
	£	£
Net income for the year (as per Statement of Financial Activities)	925,895	689,882
Adjustment for:		
Depreciation charges	658,630	636,921
Dividends, interest and rents from investments	(17,057)	(4,456)
Decrease/(increase) in stocks	8,180	(21,923)
Increase in debtors	(45,352)	(3,321,794)
Increase in creditors	684,132	3,566,536
Net cash provided by operating activities	<u>2,214,428</u>	<u>1,545,166</u>

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	GROUP	
	2019	2018
	£	£
Cash in hand	5,673,775	4,566,754
Total	<u>5,673,775</u>	<u>4,566,754</u>

20. PENSION COMMITMENTS

The charitable company operates a defined contribution scheme and the assets of this scheme are held independently of the charitable company. Contribution to the scheme are charged to the SOFA so as spread the cost of pensions over the employers' working lives with the charitable company. The pension charge for the year is £758,602 (2018: £659,520) and the amount outstanding included in creditors at the

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

20. PENSION COMMITMENTS (continued)

end of the year was £Nil (2018: £159,505).

The charity has a defined benefit pension scheme for two employees. The deficit as at 31 March 2019 £158,000 (2018: £69,000). Give the relative size of the fund and associated liabilities the trustees have decided not to include the full pension liability note within the financial statements.

The group operates a Defined benefit pension scheme.

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 March 2019 was £9,000 (2018 - £8,000), of which employer's contributions totalled £7,000 (2018 - £6,000) and employees' contributions totalled £2,000 (2018 - £2,000). The agreed contribution rates for future years is 19% for employers and 5.5% - 10.5% for employees.

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages) :

	2019	2018
Discount rate for scheme liabilities	2.50 %	2.60 %
Rate of increase in salaries	3.35 %	3.25 %
Rate of increase for pensions	2.10 %	2.00 %
Inflation assumption (CPI)	2.10 %	2.00 %
RPI Inflation	3.20 %	3.10 %
Pension accounts revaluation rate	2.10 %	2.00 %

Sensitivity analysis	At 31 March 2019 £	At 31 March 2018 £
Discount rate +0.1%	253,000	149,000
Discount rate -0.1%	269,000	159,000
Mortality assumption - 1 year increase	253,000	149,000
Mortality assumption - 1 year decrease	269,000	159,000
CPI rate +0.1%	266,000	157,000
CPI rate -0.1%	256,000	151,000

The assets in the scheme and the expected rates of return were:

	Fair value at 31 March 2019 £	Fair value at 31 March 2018 £
Equities	76,220	62,985
Government bonds	11,536	9,350
Property	4,841	3,740
Corporate bonds	4,120	3,145
Cash	2,369	1,615
Other	3,914	4,165
Total market value of assets	103,000	85,000

The actual return on scheme assets was £9,000 (2018 - £1,000).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

20. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of financial activities are as follows:

	2019 £	2018 £
Pension contributions	-	-
Current service cost	-	-
	<hr/>	<hr/>
Total	-	-
	<hr/>	<hr/>
Actual return on scheme assets	9,000	1,000
	<hr/>	<hr/>

Movements in the present value of the defined benefit obligation were as follows:

	2019 £	2018 £
Opening defined benefit obligation	154,000	145,000
Current service cost	12,000	10,000
Contributions by scheme participants	2,000	2,000
Interest expense	4,000	3,000
Actuarial losses / (gains)	89,000	(6,000)
	<hr/>	<hr/>
Closing defined benefit obligation	261,000	154,000
	<hr/>	<hr/>

Changes in the fair value of scheme assets were as follows:

	2019 £	2018 £
Opening fair value of scheme assets	85,000	76,000
Interest income	2,000	2,000
Contributions by scheme participants	2,000	2,000
Actuarial gains/(losses)	7,000	(1,000)
Employer contributions	7,000	6,000
	<hr/>	<hr/>
	103,000	85,000
	<hr/>	<hr/>

The cumulative amount of actuarial gains and losses recognised in the Consolidated statement of total recognised gains and losses was £NIL (2018 - £NIL).

The group expects to contribute £7,000 to its Defined benefit pension scheme in 2020.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

20. PENSION COMMITMENTS (continued)

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2019 £	2018 £
Defined benefit obligation	(261,000)	(154,000)
Scheme assets	103,000	85,000
Deficit	<u>(158,000)</u>	<u>(69,000)</u>

21. OPERATING LEASE COMMITMENTS

At 31 March 2019 the total of the group's future minimum lease payments under non-cancellable operating leases was:

GROUP	2019 £	2018 £
AMOUNTS PAYABLE:		
Within 1 year	512,181	969,733
Between 1 and 5 years	950,954	1,807,571
After more than 5 years	825,511	308,435
Total	<u>2,288,646</u>	<u>3,085,739</u>

22. RELATED PARTY TRANSACTIONS

During the year, the company incurred, and subsequently recharged, expenditure totalling £nil (2018: £1,000) on behalf of Northern Consortium Ltd, a company in which Humankind Charity owns 25% of the issued share capital.

23. PRINCIPAL SUBSIDIARIES

More Time (UK) Limited

Subsidiary name	More Time (UK) Limited
Basis of control	
Equity shareholding %	100%
Total assets as at 31 March 2019	£ 51,813
Total liabilities as at 31 March 2019	£ 372,172
Total equity as at 31 March 2019	£ (320,359)
Turnover for the year ended 31 March 2019	£ 268,796
Expenditure for the year ended 31 March 2019	£ (257,903)
Loss for the year ended 31 March 2019	£ (10,893)