

REGISTERED COMPANY NUMBER: 07715471 (England and Wales)
REGISTERED CHARITY NUMBER: 1145084

HUMAN CAPABILITY FOUNDATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2019

F W Berringer & Co
Chartered Accountants
and Statutory Auditors
Lygon House
50 London Road
Bromley
Kent
BR1 3RA

HUMAN CAPABILITY FOUNDATION

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HUMAN CAPABILITY FOUNDATION

REPORT OF THE TRUSTEES for the year ended 31 December 2019

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2019. The trustees have adopted the provisions of 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 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Human Capability Foundation (HCF) is a grant-making foundation with the objective of promoting such purposes as are exclusively charitable in accordance with the laws of England and Wales as the trustees may from time to time determine. The Foundation's primary focus is in India and on the issues of:

- Women's rights and empowerment
- Sexual and Reproductive Health Rights
- Gender equality
- Rights of economically and socially marginalised groups
- Mental health and disability rights
- Labour migration rights

The HCF seeks to build long-term funding relationships with non-governmental organisations (NGOs) and community-based organisations (CBOs) which share these values. Support of NGOs and CBOs will enhance the capability of individuals and communities to manifest self-sustaining and rewarding lives for themselves, their communities and future generations. It will foster local knowledge and expertise so that communities themselves are better able in the long-term to demand their rights.

The HCF uses a number of different measures to assess success. The HCF should:

- Ensure grantees have been able to carry out their work effectively and in line with what was agreed between themselves and the HCF.
- Ensure that work done by grantees can lead to the realisation of people's rights, and can challenge and transform the societal structures that marginalise people.
- Ensure that our grantees strive to transfer knowledge and power to the marginalised people that they work with.
- Receive regular progress reports from our grantees which detail the achievements the organisation have had, what feedback the grantees have received from the people they work with, and new ideas for how to develop and refine their work.
- Receive continued donations and income in order to secure stability and the ability to provide multi-year grants.
- Maintain low costs in order to maximise the funds available for carrying out charitable activities.

The short-term aims of the HCF are to continue supporting organisations and identify new organisations who are working at the grassroots level in the most marginalised communities. The HCF wishes to remain an agile organisation that can respond quickly to emerging needs and requirements. A medium-term aim is to create more learning spaces for NGOs to meet and exchange ideas and strategies.

Public benefit

The trustees have had regard to Charity Commission guidance on public benefit and consider that the objectives, aims and achievements of the charity described in the report enable it to meet its duty to the Charity Commission as per section 17 of the Charities Act 2011, and to the benefit of the public.

HUMAN CAPABILITY FOUNDATION

REPORT OF THE TRUSTEES for the year ended 31 December 2019

STRATEGIC REPORT

Achievement and performance

Charitable activities

This year HCF have continued to support a significant number of NGOs, with grants approved during the year totalling £771,151 (2018: £440,525).

This was an increase from the previous year, and the trustees have felt that that we have expanded our work successfully while maintaining keen attention on due diligence and grant management.

HCF continued its support to many of the organisations we had supported in the previous year. HCF extended first-time support to several organisations, for example Charkha. Charkha is an organisation which provides journalism training to rural youth who go on to report from geographic areas which often under-reported and on important topics such as women's rights. Another organisation we supported for the first time was Centre for Workers' Management which creates informative learning materials for labour unions so that their members can understand complicated policy and law changes which affect their livelihoods and the industries in which they work.

A lot of our grants to NGOs include a component for internal capacity building in order to enable organisations to reflect on their activities and evaluate the work they have done. It also allow staff to access further training so that they can improve the work they do. This makes their work with beneficiaries more effective and informed.

There have been numerous achievements by our organisations, for example:

- Adolescent girls who had previously not been enrolled in school being provided an education and taking governments-approved examinations.
- Providing sexual and reproductive health education to young people.
- Linking thousands of people up with social security schemes in order to receive state entitlements.
- Legal training to workers, especially women workers, so they know their labour rights and are not taken advantage of by employers.
- Providing holistic care to women who are long-term residents in mental hospitals in West Bengal.
- Archiving oral histories of freedom fighters, educationists, feminists, and activists involved in various movements throughout South Asia. Documenting important social movements and events help create a better understanding for how progressive change is achieved and to inspire people to continue struggles of old.

However, a lot of the work that the HCF funds will also have long-term impacts which are difficult to measure on a short-term basis.

HCF continued to sell online goods donated by Natco Foods Limited, generating regular sales throughout the year. The sales in 2019 amounted to £344 (2018: £2,202) and were granted to UK refugee charities. This has been an effective way of fundraising because of the minimal costs to the HCF.

HUMAN CAPABILITY FOUNDATION

REPORT OF THE TRUSTEES for the year ended 31 December 2019

STRATEGIC REPORT

Achievement and performance

Financial Review

Total grants approved by the foundation in 2019 were £777,151 (2018: £440,525)

Total donations received in 2019 amounted to £20,983,667 (2018: £735,379). This included three gifted properties, from related party entities, with close family of key directors personnel, valued at £19,540,000 on the dates of transfer.

The three properties donated during the year have been subsequently revalued to reflect the market average 5% investment yield of the annual rent received. The trustees are not qualified surveyors but believe that this valuation method represents a sufficiently accurate estimation without the need to spend any of the charity's funds on professional valuations. The valuations for the already owned two properties have not, in the trustees' opinion, changed in value materially since the last valuations were carried out.

During the year rental income received from the properties owned by HCF amounted to £1,205,435 (2018: £260,000). These properties provide on-going monthly sources of income from the rent.

These significant donations will ensure that the HCF is able to commit to multi-year funding with NGOs, which enables them to work more effectively and devote more attention to their development work rather than fundraising.

The HCF seeks to maintain low costs, and using two forex foreign exchange specialists is a key way in which we minimise the exchange rate costs of sending funds to India.

The HCF holds reserves because we plan to be a long-term funder in India providing small-medium-sized grants to organisations. We hold reserves to ensure that we can commit to multi-year funding for grantees. In 2019 we invested £3.3m in a renewable energy investment bond. We assessed that it was a low-risk investment but also one that would provide a satisfactory return and put our cash reserves to good use, while retaining the necessary funds in order to meet our grants-making commitments. We have judged that a renewable energy portfolio is in line with our charity's ethics as the funds are used to create green energy resources. At the end of the year, this investment was performing as we had intended and no issues had arisen.

Our long-term financial plans are to significantly increase the level of funds we have in order to be able to make grants to a larger number of organisations. HCF will continue to provide core grants of unrestricted funds to NGOs as this allows the organisations to have stability and do the work that they truly feel is important.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Organisational structure

The Human Capability Foundation is a charitable company limited by guarantee, incorporated in December 2011. The three trustees are:

Luke Pagarani

Davinder Pagarani

Natasha Pagarani

The trustees are also company directors. Under the requirements of the Memorandum and Articles of Association, the directors retire on an annual basis and, being eligible, offer themselves for re-election.

Natasha Pagarani is the Foundation's Secretary and the three trustees jointly manage the foundation, meeting informally on a regular basis to discuss grants, funding and other activities.

In 2019, HCF received a total of £1,443,667 (2018: £494,798) in donations. These were received from related party entities, with close family of key directors' personnel. Donations were from Windsor Investment Holdings Limited £516,523 (2018: £nil), Giant Exports Services Ltd £355,000 (2018: £490,000), Natco Foods Limited £nil (2018:£4,798), Landfield Investment Holding Ltd £506,310 (2018: £nil) and Mystical Worldwide Trust £65,834 (2018: £nil).

HUMAN CAPABILITY FOUNDATION

REPORT OF THE TRUSTEES for the year ended 31 December 2019

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

07715471 (England and Wales)

Registered Charity number

1145084

Registered office

c/o Natco Cash & Carry
Silverdale Industrial Estate
Silverdale Road
Hayes
London
UB3 3BL

Trustees

Ms N Pagarani
L Pagarani
D Pagarani

Company Secretary

Ms N Pagarani

Auditors

F W Berringer & Co
Chartered Accountants
and Statutory Auditors
Lygon House
50 London Road
Bromley
Kent
BR1 3RA

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Human Capability Foundation for the purposes of company law) are responsible for preparing the Report of the trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

HUMAN CAPABILITY FOUNDATION

**REPORT OF THE TRUSTEES
for the year ended 31 December 2019**

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

AUDITORS

The auditors, F W Berringer & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a Strategic report, approved by order of the board of trustees, as the company directors, on 25 August 2020 and signed on the board's behalf by:

Ms N Pagarani - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HUMAN CAPABILITY FOUNDATION

Opinion

We have audited the financial statements of Human Capability Foundation (the 'charitable company') for the year ended 31 December 2019 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 Annual report, other than the financial statements and our Report of the independent auditors 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 Report of the trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HUMAN CAPABILITY FOUNDATION

Matters on which we are required to report by exception

In the light of the 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 Report of the trustees.

We have nothing to report in respect of the following matters where 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 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 Statement of trustees' responsibilities, 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.

Our 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 a Report of the independent auditors 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 Report of the Independent Auditors.

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Allan (Senior Statutory Auditor)
for and on behalf of F W Berringer & Co
Chartered Accountants
and Statutory Auditors
Lygon House
50 London Road
Bromley
Kent
BR1 3RA

25 August 2020

HUMAN CAPABILITY FOUNDATION

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
for the year ended 31 December 2019**

	Notes	2019 Unrestricted fund £	2018 Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	3	20,983,668	735,379
Other trading activities	4	9,291	15,802
Investment income	5	1,317,800	354,730
Total		22,310,759	1,105,911
 EXPENDITURE ON			
Charitable activities			
Grants	6	777,151	462,663
Other	9	120,313	24,167
Total		897,464	486,830
 NET INCOME		 21,413,295	 619,081
 RECONCILIATION OF FUNDS			
Total funds brought forward		8,057,332	7,438,251
 TOTAL FUNDS CARRIED FORWARD		 29,470,627	 8,057,332

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

HUMAN CAPABILITY FOUNDATION

BALANCE SHEET
31 December 2019

	Notes	2019 Unrestricted fund £	2018 Total funds £
FIXED ASSETS			
Tangible assets	13	441,105	314,167
Investments			
Investments	14	240,581	240,581
Investment property	15	<u>22,680,000</u>	<u>3,140,000</u>
		23,361,686	3,694,748
 CURRENT ASSETS			
Debtors	16	223,634	29,923
Investments	17	3,300,000	-
Prepayments and accrued income		72,144	-
Cash at bank		<u>2,579,816</u>	<u>4,356,241</u>
		6,175,594	4,386,164
 CREDITORS			
Amounts falling due within one year	18	(66,653)	(23,580)
		<hr/>	<hr/>
NET CURRENT ASSETS		<u>6,108,941</u>	<u>4,362,584</u>
 TOTAL ASSETS LESS CURRENT LIABILITIES		 <u>29,470,627</u>	 <u>8,057,332</u>
 NET ASSETS		 <u><u>29,470,627</u></u>	 <u><u>8,057,332</u></u>
 FUNDS	19		
Unrestricted funds		<u>29,470,627</u>	<u>8,057,332</u>
 TOTAL FUNDS		 <u><u>29,470,627</u></u>	 <u><u>8,057,332</u></u>

The financial statements were approved by the Board of Trustees and authorised for issue on 25 August 2020 and were signed on its behalf by:

N Pagarani - Trustee

The notes form part of these financial statements

HUMAN CAPABILITY FOUNDATION

CASH FLOW STATEMENT for the year ended 31 December 2019

	Notes	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	1	370,819	1,918,353
Tax paid		<u>43,073</u>	<u>74</u>
Net cash (used in)/provided by operating activities		<u>413,892</u>	<u>1,918,427</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(167,895)	-
Rents from investments		1,268,978	260,000
Interest received		<u>72,143</u>	<u>53,715</u>
Net cash provided by investing activities		<u>1,173,226</u>	<u>313,715</u>
Change in cash and cash equivalents in the reporting period			
		1587,118	2,232,142
Cash and cash equivalents at the beginning of the reporting period		<u>4,356,241</u>	<u>2,124,099</u>
Cash and cash equivalents at the end of the reporting period		<u><u>2,579,816</u></u>	<u><u>4,356,241</u></u>

The notes form part of these financial statements

HUMAN CAPABILITY FOUNDATION

**NOTES TO THE CASH FLOW STATEMENT
for the year ended 31 December 2019**

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net income for the reporting period (as per the Statement of financial activities)	21,413,295	619,081
Adjustments for:		
Depreciation charges	40,956	24,167
Interest received	(72,143)	(53,715)
Rent from investments	(1,205,435)	(260,000)
Donated asset	(19,540,000)	(240,581)
(Increase)/decrease in debtors	(265,854)	1,846,733
Decrease in creditors	-	(17,332)
	<u> </u>	<u> </u>
Net cash (used in)/provided by operations	<u>370,819</u>	<u>1,918,353</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.19 £	Cash flow £	At 31.12.19 £
Net cash			
Cash at bank	<u>4,356,241</u>	<u>(1,776,425)</u>	<u>2,579,816</u>
	<u>4,356,241</u>	<u>(1,776,425)</u>	<u>2,579,816</u>
Liquid resources			
Deposits included in cash	-	-	-
Current asset investments	<u>-</u>	<u>3,300,000</u>	<u>3,300,000</u>
	<u>-</u>	<u>3,300,000</u>	<u>3,300,000</u>
Total	<u>4,356,241</u>	<u>1,523,575</u>	<u>5,879,816</u>

The notes form part of these financial statements

HUMAN CAPABILITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019

1. STATUTORY INFORMATION

The Charity is a private limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Natco Cash & Carry, Silverdale Industrial Estate, Silverdale Road, Hayes, London UB3 3BL..

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

The following specific policies are applied to particular categories of income:

- Income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- Rental income from investment property and leased out assets are recognised when receipt is probable and entitlement is established. Solar electricity income relates to electricity generated by solar panels owed by HCF and sold to related parties per note 20. All income for the year excludes VAT.
- Other trading activities relate to the realised sale of food products and consumer goods donated by related parties at nil cost as per note 20. No VAT is charged on these products and minimal levels of stock are held at the year end.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure includes any VAT which cannot be fully recovered and is accounted for on an accruals basis. Expenditure has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants

Grants offered subject to conditions which have not been met at the year- end date are noted as a commitment but not accrued as expenditure.

Other Expenditure

Solar panel fixed assets used to generate electricity income is depreciated over the 15 year anticipated life on a straight line basis.

Leased out fixed assets used to generate rental income is depreciated over the 10 year anticipated life on a straight line basis

Bank Charges

Foreign exchange specialists are used to minimise the cost of transfers to India. Transfer costs are not disclosed to the charity; however better rates, which include the transfer costs, are offered to alternative transfer options.

HUMAN CAPABILITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2019

2. ACCOUNTING POLICIES - continued

Allocation and apportionment of costs

All income and expenditure is unrestricted. Support costs have been wholly allocated to the main charitable activity and relate principally to legal and professional, consultancy, accounting and audit fees.

Investment property

Investment properties include donated properties at fair value. No depreciation is provided in respect of the investment properties. The policy of non-depreciation, is, in the opinion of the trustees, necessary for the financial statements to give a true and fair view. The investment properties will maintain a long useful economic life and high residual value through the policy of regular maintenance and repair such that the assets are kept to the previously assessed levels.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

There are no unrestricted funds.

Current asset investments

Current Asset Investments are investments that are easy to access when required and have a maturity of within 12 months of the year end.

In 2019, HCF have invested in a renewable energy bond, that is in line with the charities ethics and objective of supporting worthy causes.

3. DONATIONS AND LEGACIES

	2019	2018
	£	£
Gifts & donations	<u>20,983,668</u>	<u>735,379</u>

4. OTHER TRADING ACTIVITIES

	2019	2018
	£	£
Sales of donated products	<u>9,291</u>	<u>15,802</u>

5. INVESTMENT INCOME

	2019	2018
	£	£
Rents received	1,205,435	260,000
Solar Electricity Income	40,222	41,015
Deposit account interest	24,414	-
Loan interest	-	53,715
Bond interest	<u>47,729</u>	<u>-</u>
	<u>1,317,800</u>	<u>354,730</u>

HUMAN CAPABILITY FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2019**

6. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (see note 7) £ <u>777,151</u>
Grants	

7. GRANTS PAYABLE

	2019 £ <u>777,151</u>	2018 £ <u>440,525</u>
Grants		

The total grants paid to institutions during the year was as follows:

	2019 £ <u>777,151</u>	2018 £ <u>440,525</u>
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8. SUPPORT COSTS

	Finance £ <u>1,700</u>	Other £ <u>77,657</u>	Totals £ <u>79,357</u>
Other resources expended			

The breakdown of support costs is shown in the table below:

Cost type	2019 £	2018 £
Finance		
Foreign exchange losses	1,700	-
Other		
Web site costs	116	33
Auditors' remuneration	2,200	2,200
Legal and professional fees	10,591	1,400
Bank charges	1,075	45
Consultancy fees	63,675	18,460
	<u>77,657</u>	<u>27,869</u>

HUMAN CAPABILITY FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2019**

9. OTHER

Net income/(expenditure) is stated after charging/(crediting):

	2019	2018
	£	£
Depreciation – Plant and Machinery	<u>40,956</u>	<u>24,167</u>

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2019	2018
	£	£
Depreciation - owned assets	<u>40,957</u>	<u>24,166</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2019 nor for the year ended 31 December 2018.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2019 nor for the year ended 31 December 2018.

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	735,379
Other trading activities	15,802
Investment income	<u>354,730</u>
Total	1,105,911
 EXPENDITURE ON	
Charitable activities	
Grants	462,663
Other	<u>24,167</u>
Total	<u>486,830</u>

HUMAN CAPABILITY FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2019**

12.	COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued	Unrestricted fund £
		619,081
	RECONCILIATION OF FUNDS	
	Total funds brought forward	7,438,251
	TOTAL FUNDS CARRIED FORWARD	8,057,332
13.	TANGIBLE FIXED ASSETS	Plant and machinery £
	COST	
	At 1 January 2019	362,500
	Additions	<u>167,895</u>
	At 31 December 2019	<u>530,395</u>
	DEPRECIATION	
	At 1 January 2019	48,333
	Charge for year	<u>40,957</u>
	At 31 December 2019	<u>89,290</u>
	NET BOOK VALUE	
	At 31 December 2019	<u>441,105</u>
	At 31 December 2018	<u>314,167</u>
14.	FIXED ASSET INVESTMENTS	Unlisted investments £
	MARKET VALUE	
	At 1 January 2019 and 31 December 2019	<u>240,581</u>
	NET BOOK VALUE	
	At 31 December 2019	<u>240,581</u>
	At 31 December 2018	<u>240,581</u>

There were no investment assets outside the UK.

The investment held at the year-end is a 10% minority interest in Trigon Snacks Trading Limited; the shares were transferred as a gift at the calculated market value as at the 30th November 2018.

HUMAN CAPABILITY FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2019**

15. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 January 2019	3,140,000
Additions	<u>19,540,000</u>
At 31 December 2019	<u>22,680,000</u>
NET BOOK VALUE	
At 31 December 2019	<u>22,680,000</u>
At 31 December 2018	<u>3,140,000</u>

The three properties donated during the year have been revalued to reflect the market average 5% investment yield of the annual rent received. The trustees are not qualified surveyors but believe that this valuation method represents a sufficiently accurate estimation without the need to spend any of the charity's funds on professional valuations.

The valuations for the already owned two properties have not, in the trustees' opinion, changed in value materially since the last valuations were carried out.

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Other debtors	<u>223,634</u>	<u>29,923</u>

17. CURRENT ASSET INVESTMENTS

	2019	2018
	£	£
Unlisted investments	<u>3,300,000</u>	<u>-</u>

In 2019, HCF invested £3.3m in a regular access renewable energy investment bond that is due to mature within 12 months.

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Accruals	3,500	3,500
VAT	46,653	3,580
Other creditors	<u>16,500</u>	<u>16,500</u>
	<u>66,653</u>	<u>23,580</u>

HUMAN CAPABILITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2019

19. MOVEMENT IN FUNDS

	At 1.1.19 £	Net movement in funds £	At 31.12.19 £
Unrestricted funds			
General fund	8,057,332	21,413,295	29,470,627
TOTAL FUNDS	<u>8,057,332</u>	<u>21,413,295</u>	<u>29,470,627</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	22,310,759	(897,464)	21,413,295
TOTAL FUNDS	<u>22,310,759</u>	<u>(897,464)</u>	<u>21,413,295</u>

Comparatives for movement in funds

	At 1.1.18 £	Net movement in funds £	At 31.12.18 £
Unrestricted funds			
General fund	7,438,251	619,081	8,057,332
TOTAL FUNDS	<u>7,438,251</u>	<u>619,081</u>	<u>8,057,332</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,105,911	(486,830)	619,081
TOTAL FUNDS	<u>1,105,911</u>	<u>(486,830)</u>	<u>619,081</u>

HUMAN CAPABILITY FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2019**

20. RELATED PARTY DISCLOSURES

Entities with key directors in common	2019	2018
	£	£
Income investment properties	1,030,159	205,000
Solar electricity	40,222	41,015
Sales of donated products	9,291	15,802
Interest	-	53,715
Donations	-	4,798
Gifts of property	-	240,581
	<u>(1,079,672)</u>	<u>(615,911)</u>
Entities with close family of key directors personnel	2019	2018
	£	£
Donations	1,443,667	490,000
Gifts of property	19,540,000	-
	<u>(20,983,667)</u>	<u>(490,000)</u>

21. GRANTS

Total grants in 2019 approved by the Foundation were £777,151 (2018: £440,525).

These were made up as follows:

Institutions	Amount
Nirantar	£65,149
Anjali	£50,852
YP Foundation	£47,482
Tarshi	£46,029
Action India	£43,987
Aajeevika Bureau	£42,694
Sama	£38,460
GSVS	£34,908
Sappho For Equality	£32,438
Vikas Adhyayan Kendra	£30,890
Shishu Sarothi	£28,185
Jeevika	£26,128
Kolkata Sanved	£25,619
Kotra Adivasi Sansthan	£25,519
Sakar	£24,876
Charkha	£24,002
Vishakha	£23,950
Sanhita	£23,452
Kislay	£21,994
Aman Public Charitable Trust	£20,577
Prayas	£20,119
Sangram	£19,394
iPartner	£15,068
Alternative Law Forum	£12,581
Disha	£11,140
Sparrow	£9,869
Others	£11,789

HUMAN CAPABILITY FOUNDATION

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2019**

	2019 £	2018 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Gifts and donations	<u>20,983,668</u>	<u>735,379</u>
	20,983,668	735,379
Other trading activities		
Sales of donated products	9,291	15,802
Investment income		
Rents received	1,205,435	260,000
Solar Electricity Income	40,222	41,015
Deposit account interest	24,414	-
Loan interest	-	53,715
Bond interest	<u>47,729</u>	<u>-</u>
	<u>1,317,800</u>	<u>354,730</u>
Total incoming resources	22,310,759	1,105,911
EXPENDITURE		
Charitable activities		
Grants to institutions	777,151	440,525
Other		
Plant and machinery	40,956	24,167
Support costs		
Finance		
Foreign exchange losses	1,700	-
Other		
Web site costs	116	33
Auditors' remuneration	2,200	2,200
Legal & professional	10,591	1,400
Bank charges	1,075	45
Consultancy fees	<u>63,675</u>	<u>18,460</u>
	<u>77,657</u>	<u>22,138</u>
Total resources expended	<u>897,464</u>	<u>486,830</u>
Net income	<u><u>21,413,295</u></u>	<u><u>619,081</u></u>

This page does not form part of the statutory financial statements