

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

**REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31 DECEMBER 2017  
FOR**

**HUMAN CAPABILITY FOUNDATION**

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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for the year ended 31 December 2017**

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# HUMAN CAPABILITY FOUNDATION

## REPORT OF THE TRUSTEES for the year ended 31 December 2017

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 2017. 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 2015).

### OBJECTIVES AND ACTIVITIES

#### Objectives and aims

The Human Capability Foundation (HCF) is a grant-making foundation with the objective of supporting organisations working for the rights of marginalised communities.

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 & 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. The objective is that 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.

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.
- 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 to identify new organisations, who are working at the grassroots level in the most marginalised communities.

The longer-term aims are to ensure that the HCF support more organisations who are led by people from Dalit backgrounds. With this in mind, in 2017 the HCF engaged a consultant who has been working closely with Dalit-led organisations and will guide the HCF. The HCF also seeks to advise other donors informally on important areas of funding in India and effective funding strategies. In 2017, trustees attended more donor meetings in the UK in order to have a fuller knowledge of how the donor community functions.

#### 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 2017

### STRATEGIC REPORT

#### Achievement and performance

##### *Charitable activities*

This year has seen a significant rise in the total size of the grants approved, from £447,404 in 2016 to £550,837 in 2017. This represented a 23% increase from the prior year and resulted in HCF funding grants to over 25 NGOs.

HCF continued its support of the TARSHI Trust, Nirantar Trust and Aajeevika Bureau. These particular NGOs provide sexual health education, education of women in marginalised communities and Labour migration rights respectively. In 2018, HCF will undertake external evaluations to assess the work done by organisations that have been supported in multi-year grants.

Three new organisations supported during the year included Thoughtshop Foundation, Kolkata Sanved and Kislay. These organisations support youth social enterprise, female empowerment through Dance Movement Therapy and women's participation of local governance respectively. Some of the new organisations are using quite innovative models and the HCF will need to assess their work in 2018 to see whether they have been successful.

Because most of the organisations are working from a rights-based perspective there are many different ways to measure the impact our work has had on beneficiaries. For example, the three organisations that we fund who work on Labour Migration Rights are heavily involved in ensuring that workers are empowered and knowledgeable when entering into contracts with employers. They act as mediators and secure payments for workers when their wages have been withheld, and compensation when there have been work-place accidents and injuries. Collectively, these three NGOs have linked more than a thousand people to social security schemes which provide on-going benefits from the government such as support for children's education and pensions. They also work on creating worker collectives so that they can demand better working rights and conditions from employers and local governments.

TARSHI's work on sexual and reproductive health rights in 2017 focused on providing comprehensive sexuality education training to school teachers and staff. This is to ensure that school students receive accurate, helpful, and sex-positive information, as well as focusing on women's rights and LGBT rights. Feedback on the trainings showed that both teachers and students learned a lot and felt that the information was very useful. This will lead to people have healthier approaches to relationships and sexuality.

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 allows staff to access further trainings so that they can improve the work they do. This makes their work with beneficiaries more effective and informed.

HCF continued to sell online goods donated by Natco Foods Limited, generating regular sales throughout the year. The sales in 2017 amounted to £4,563, and were granted in full to two UK charities Refugee Action and Migrants Law Project. 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 2017

### STRATEGIC REPORT

#### Achievement and performance

##### *Financial review*

Total grants approved by the foundation in 2017 were £550,837

Total donations received in 2017 amounted to £2,160,000. This included a property valued at £1,400,000 on the date of transfer.

During the year rental income received from the two properties owned by HCF amounted to £218,750. These two properties provide on-going monthly sources of income from the rent.

The HCF also gave two loans which will be repaid at a significantly higher interest rate than could be received at a bank. Loan interest received during the year totalled £78,215. Both loans will be repaid in 2018.

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. Providing loans with attractive interest rates also means a diversification of the HCF's sources of income which increases our long-term stability.

The HCF seeks to maintain low costs, and in 2017 we started using foreign exchange specialists in order to minimise the costs of sending funds to India. This has slightly increased administrative time for making grants, but has created significant savings.

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. We envisage our annual grant budget increasing in future years, but we are still in the process of building up our grantee base, and seek to ensure that the grants we make are effective. The reserves at 31 December 2017 stood at £7,438,251 (2016: £4,683,249).

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 them 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 2017, the HCF received £760,000 in donations from Natco Foods Limited, Giant Export Services Ltd and T. Choithram & Sons (London) Limited (TCS London). T. Choithram International S.A gifted the HCF a London-based property, valued at £900,000. TCS London is the parent company of Natco Foods Limited, of which Luke Pagarani is Managing Director, and Natasha Pagarani is also employed. Natco Foods Limited is a company based in the UK whose core business is the sourcing, processing and selling of foods from around the world to consumers primarily in the UK. It is the intention of TCS London and its subsidiaries to continue financial support of the HCF indefinitely.

**HUMAN CAPABILITY FOUNDATION**

**REPORT OF THE TRUSTEES  
for the year ended 31 December 2017**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**  
07715471 (England and Wales)

**Registered Charity number**  
1145084

**Registered office**  
Flat 4  
10 Crossfield Road  
Belsize Park  
London  
NW3 4NS

**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

**HUMAN CAPABILITY FOUNDATION**

**REPORT OF THE TRUSTEES  
for the year ended 31 December 2017**

**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.

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 ..... and signed on the board's behalf by:

.....  
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 2017 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 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 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, 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.

**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 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.

**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.

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

**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](http://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

Date: .....

**HUMAN CAPABILITY FOUNDATION**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**  
**for the year ended 31 December 2017**

	Notes	2017 Unrestricted fund £	2016 Total funds as restated £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	3	2,160,000	2,325,512
Other trading activities	4	16,150	-
Investment income	5	311,725	9,118
<b>Total</b>		<b>2,487,875</b>	<b>2,334,630</b>
 <b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Grants	6	578,706	461,871
Other	9	24,167	-
<b>Total</b>		<b>602,873</b>	<b>461,871</b>
 <b>NET INCOME</b>		 <b>1,885,002</b>	 <b>1,872,759</b>
 <b>RECONCILIATION OF FUNDS</b>			
As previously reported		4,683,249	3,680,490
Prior year adjustment	13	870,000	-
<b>As Restated</b>		<b>5,553,249</b>	<b>3,680,490</b>
 <b>TOTAL FUNDS CARRIED FORWARD</b>		 <b>7,438,251</b>	 <b>5,553,249</b>

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

HUMAN CAPABILITY FOUNDATION

BALANCE SHEET  
At 31 December 2017

	Notes	2017 Unrestricted fund £	2016 Total funds as restated £
<b>FIXED ASSETS</b>			
Tangible assets	14	338,333	-
Investment property	15	3,140,000	1,740,000
		<u>3,478,333</u>	<u>1,740,000</u>
<b>CURRENT ASSETS</b>			
Debtors	16	1,876,657	200,000
Cash at bank		2,124,099	3,617,949
		<u>4,000,756</u>	<u>3,817,949</u>
<b>CREDITORS</b>			
Amounts falling due within one year	17	(40,838)	(4,700)
		<u>3,959,918</u>	<u>3,813,249</u>
<b>NET CURRENT ASSETS</b>			
		<u>7,438,251</u>	<u>5,553,249</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>7,438,251</u>	<u>5,553,249</u>
<b>NET ASSETS</b>			
		<u>7,438,251</u>	<u>5,553,249</u>
<b>FUNDS</b>			
Unrestricted funds	18	7,438,251	5,553,249
<b>TOTAL FUNDS</b>			
		<u>7,438,251</u>	<u>5,553,249</u>

The financial statements were approved by the Board of Trustees on ..... and were signed on its behalf by:

.....  
Trustee

HUMAN CAPABILITY FOUNDATION

**CASH FLOW STATEMENT**  
for the year ended 31 December 2017

		2017	2016
	Notes	£	as restated £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	(1,431,821)	(75,557)
Tax paid		3,506	-
		<u>                    </u>	<u>                    </u>
<b>Net cash provided by (used in) operating activities</b>		<b>(1,428,315)</b>	<b>(75,557)</b>
		<u>                    </u>	<u>                    </u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(362,500)	1,740,000
Purchase of investment property		-	(1,740,000)
Rents from investments		218,750	5,616
Interest received		78,215	3,500
		<u>                    </u>	<u>                    </u>
<b>Net cash provided by (used in) investing activities</b>		<b>(65,535)</b>	<b>9,116</b>
		<u>                    </u>	<u>                    </u>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(1,493,850)</b>	<b>(66,441)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>3,617,949</b>	<b>3,684,390</b>
		<u>                    </u>	<u>                    </u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>2,124,099</b>	<b>3,617,949</b>
		<u>                    </u>	<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 2017

	2017	2016
	£	as restated £
<b>1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net income for the reporting period (as per the statement of financial activities)</b>	<b>1,885,002</b>	1,872,759
<b>Adjustments for:</b>		
Depreciation charges	24,167	-
Interest received	(78,215)	(3,500)
Rent from investments	(218,750)	(5,616)
Donated asset	(1,400,000)	(1,740,000)
Increase in debtors	(1,676,657)	(200,000)
Increase in creditors	32,632	800
<b>Net cash provided by (used in) operating activities</b>	<b>(1,431,821)</b>	(75,557)

## HUMAN CAPABILITY FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2017

#### 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 Flat 4, 10 Crossfield Road, London, NW3 4NS.

#### 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 2015)', 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.

##### **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 interest income on loan advances is recognised when receipt is probable and entitlement is established. Solar electricity income relates to electricity generated by solar panels owned by HCF and sold to related parties per note 15. 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 15. 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 can not 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.

##### **Allocation and apportionment of costs**

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

**HUMAN CAPABILITY FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
for the year ended 31 December 2017

**2. ACCOUNTING POLICIES - continued**

**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.

**3. DONATIONS AND LEGACIES**

	2017	2016 as restated
	£	£
Gifts	1,400,000	1,740,000
Donations	760,000	585,512
	2,160,000	2,325,512

**4. OTHER TRADING ACTIVITIES**

	2017	2016 as restated
	£	£
Sales of donated products	16,150	-
	16,150	-

**5. INVESTMENT INCOME**

	2017	2016 as restated
	£	£
Rents received	218,750	5,618
Solar Electricity Income	14,760	-
Loan interest	78,215	3,500
	311,725	9,118

**6. CHARITABLE ACTIVITIES COSTS**

	Grant funding of activities (See note 7)	Support costs (See note 8)	Totals
	£	£	£
Grants	550,837	27,869	578,706
	550,837	27,869	578,706

**7. GRANTS PAYABLE**

HUMAN CAPABILITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
for the year ended 31 December 2017

7. GRANTS PAYABLE - continued

	2017	2016
	£	£
Grants	<u>550,837</u>	<u>447,404</u>

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

2017	2016
£	£
<u>550,837</u>	<u>447,404</u>

8. SUPPORT COSTS

	Other
	£
Grants	<u>27,869</u>

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

Cost type	2017	2016
	£	£
Web site costs	-	15
Accountancy	-	1,200
Auditors' remuneration	2,100	3,500
Legal fees	6,403	-
Bank charges	382	732
Consultancy fees	18,984	9,020
	<u>27,869</u>	<u>14,467</u>

**HUMAN CAPABILITY FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the year ended 31 December 2017**

**9. OTHER**

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

	<b>2017</b>	2016 as restated
	<b>£</b>	£
Depreciation - Solar panels	<u><b>24,167</b></u>	<u>-</u>

**10. NET INCOME/(EXPENDITURE)**

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

	<b>2017</b>	2016 as restated
	<b>£</b>	£
Depreciation - owned assets	<u><b>24,167</b></u>	<u>-</u>

**11. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 December 2017 nor for the year ended 31 December 2016.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 December 2017 nor for the year ended 31 December 2016.

**12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund as restated £
<b>INCOME AND ENDOWMENTS FROM</b>	
Donations and legacies	2,325,512
Investment income	<u>9,118</u>
<b>Total</b>	<u>2,334,630</u>
<b>EXPENDITURE ON</b>	
<b>Charitable activities</b>	
Grants	<u>461,871</u>
<b>Total</b>	<u>461,871</u>

HUMAN CAPABILITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
for the year ended 31 December 2017

<b>12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued</b>	Unrestricted fund as restated £
	<hr/>
<b>NET INCOME</b>	1,872,759
<b>RECONCILIATION OF FUNDS</b>	
<b>Total funds brought forward</b>	3,680,490
	<hr/>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>5,553,249</u>
	<hr/>
<b>13. PRIOR YEAR ADJUSTMENT</b>	
<p>A property classified in the prior year as a tangible fixed assets is deemed to be an investment property. This property has been reclassified as an investment property and is held at the initial fair value as per the investment property accounting policy. This has resulted in the total funds of the charity increasing by £870,000.</p>	
<b>14. TANGIBLE FIXED ASSETS</b>	<b>Solar Panels</b>
	<b>£</b>
<b>COST</b>	
Additions	<u>362,500</u>
<b>DEPRECIATION</b>	
Charge for year	<u>24,167</u>
<b>NET BOOK VALUE</b>	
At 31 December 2017	<u>338,333</u>
At 31 December 2016	<u>-</u>
<b>15. INVESTMENT PROPERTY</b>	
	<b>£</b>
<b>MARKET VALUE</b>	
At 1 January 2017	1,740,000
Additions	<u>1,400,000</u>
At 31 December 2017	<u>3,140,000</u>
<b>NET BOOK VALUE</b>	
At 31 December 2017	<u>3,140,000</u>
At 31 December 2016	<u>1,740,000</u>

HUMAN CAPABILITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
for the year ended 31 December 2017

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016 as restated
	£	£
Other debtors	<u>1,876,657</u>	<u>200,000</u>

During the year the company has advanced loans of £2.068m (2016: £400k) in aggregate to two related parties in which one of the trustees is a director. £200,000 of this amount was repaid during the year.

Interest on both of these loans is being charged at an annual rate of 6.013%.

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016 as restated
	£	£
Deferred Income	17,332	-
Accruals	3,500	4,700
VAT	3,506	-
Other creditors	16,500	-
	<u>40,838</u>	<u>4,700</u>

18. MOVEMENT IN FUNDS

	At 1.1.17 £	Prior year adjustment £	Net movement in funds £	At 31.12.17 £
<b>Unrestricted funds</b>				
General fund	4,683,249	870,000	1,885,002	7,438,251
	<u>4,683,249</u>	<u>870,000</u>	<u>1,885,002</u>	<u>7,438,251</u>
<b>TOTAL FUNDS</b>	<u>4,683,249</u>	<u>870,000</u>	<u>1,885,002</u>	<u>7,438,251</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	2,487,875	(602,873)	1,885,002
	<u>2,487,875</u>	<u>(602,873)</u>	<u>1,885,002</u>
<b>TOTAL FUNDS</b>	<u>2,487,875</u>	<u>(602,873)</u>	<u>1,885,002</u>

HUMAN CAPABILITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
for the year ended 31 December 2017

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.16 £	Net movement in funds £	At 31.12.16 £
<b>Unrestricted Funds</b>			
General fund	3,680,490	1,872,759	5,553,249
<b>TOTAL FUNDS</b>	<u>3,680,490</u>	<u>1,872,759</u>	<u>5,553,249</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	2,334,630	(461,871)	1,872,759
<b>TOTAL FUNDS</b>	<u>2,334,630</u>	<u>(461,871)</u>	<u>1,872,759</u>

19. RELATED PARTY DISCLOSURES

Entities with key management in common

	2017 £	2016 £
Income investment properties	218,750	5,616
Solar electricity	14,760	-
Sales of donated products	16,150	-
Interest	78,215	3,500
Donations	510,000	-
Gifts of property		1,740,000
Amount owed to related party	<u>(837,875)</u>	<u>(1,749,116)</u>

Close family of key management personnel

	2017 £	2016 £
Gifts of property	1,400,000	-
Donations	250,000	585,000
Amount owed to related party	<u>(1,650,000)</u>	<u>(585,000)</u>

HUMAN CAPABILITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
for the year ended 31 December 2017

20. GRANTS

Total grants in 2017 approved by the Foundation were £550,837 (2016: £447,404).

These were made up as follows:

<b>Institutions</b>	<b>Amount</b>
Tarshi Trust	£50,788
Nirantara Trust	£42,685
Aajeevika Bureau	£41,678
Action India	£33,479
Sappho for Equality	£31,109
GSVS	£30,926
Sama Resources	£30,531
Anijali	£30,199
Shishu Sarothi	£29,221
Aman Public Trust	£25,377
KAS	£22,401
Thoughtshop	£21,330
K Sanved	£20,790
Vishakha	£20,000
Jeevika	£19,995
Point of View	£19,210
Kislay	£18,898
Sakar	£18,861
Others	£43,359

HUMAN CAPABILITY FOUNDATION

DETAILED STATEMENT OF FINANCIAL ACTIVITIES  
for the year ended 31 December 2017

	2017	2016
	£	as restated £
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Gifts	1,400,000	1,740,000
Donations	760,000	585,512
	<u>2,160,000</u>	<u>2,325,512</u>
<b>Other trading activities</b>		
Sales of donated products	16,150	-
<b>Investment income</b>		
Rents received	218,750	5,618
Solar Electricity Income	14,760	-
Loan interest	78,215	3,500
	<u>311,725</u>	<u>9,118</u>
<b>Total incoming resources</b>	<u>2,487,875</u>	<u>2,334,630</u>
<b>EXPENDITURE</b>		
<b>Charitable activities</b>		
Grants to institutions	550,837	447,404
<b>Other</b>		
Deprn of solar panels	24,167	-
<b>Support costs</b>		
<b>Other</b>		
Web site costs	-	15
Accountancy	-	1,200
Auditors' remuneration	2,100	3,500
Legal fees	6,403	-
Bank charges	382	732
Consultancy fees	18,984	9,020
	<u>27,869</u>	<u>14,467</u>
<b>Total resources expended</b>	<u>602,873</u>	<u>461,871</u>
<b>Net income</b>	<u><u>1,885,002</u></u>	<u><u>1,872,759</u></u>

This page does not form part of the statutory financial statements