

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

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2018
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 2018

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HUMAN CAPABILITY FOUNDATION

REPORT OF THE TRUSTEES for the year ended 31 December 2018

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 2018. 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.

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 2018

STRATEGIC REPORT

Achievement and performance

Charitable activities

This year HCF have continued to support a significant number of NGO's, with grants approved during the year totalling £440,525 (2017: £550,837).

HCF continued its support of the TARSHI Trust, Aajeevika Bureau and Sappho for Equality. These particular NGOs provide sexual health education, Labour migration rights protection and gender discrimination support respectively.

HCF extended first-time support to several organisations, for example Sparrow. Sparrow is a women's archive which collects oral histories of freedom fighters, educationists, feminists, and activists involved in various movements through South Asia. Sparrow also archives cultural traditions such as video documenting theatre and folk artists who are trying to keep alive various traditions of performance.

HCF conducted three external evaluations of projects which we had funded in previous years. These were Nirantar, GSVS, and KAS. This enabled HCF and the grantees to assess how successful their projects had been, and illuminate ways in which we can adapt the projects to be more effective. The feedback from grantees was that the evaluation process was useful. We were encouraged by the fact that the evaluator found that all three organisations had been effective and were working well towards achieving the projects' objectives.

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 2018 amounted to £2,202 (2017: £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 2018

STRATEGIC REPORT

Achievement and performance

Financial review

Total grants approved by the foundation in 2018 were £440,525 (2017: £550,837)

Total donations received in 2018 amounted to £735,379 (2017: £2,160,000). This included a 10% minority interest in Trigon Snacks Trading Limited valued at calculated market value of £240,581 on the date of transfer.

During the year rental income received from the two properties owned by HCF amounted to £260,000. These two 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. 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 2018 we started using a different 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 2018 stood at £8,057,332 (2017 £7,438,251).

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 2018, the HCF received a total of £494,798 in donations from Natco Foods Limited (£4,798) and Giant Export Services Ltd (£490,000), T. Choithram & Sons (London) Limited gifted HCF a 10% minority interest in Trigon Snacks Trading Limited, calculated market value of £240,581 on the transfer date. 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 2018**

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
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

HUMAN CAPABILITY FOUNDATION

**REPORT OF THE TRUSTEES
for the year ended 31 December 2018**

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:

.....
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 2018 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 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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.

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

Matters on which we are required to report by exception

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

Date:

HUMAN CAPABILITY FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
for the year ended 31 December 2018

	Notes	2018 Unrestricted fund £	2017 Total funds as restated £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	3	735,379	2,160,000
Other trading activities	4	15,802	16,150
Investment income	5	<u>354,730</u>	<u>311,725</u>
Total		1,105,911	2,487,875
 EXPENDITURE ON			
Charitable activities	6		
Grants		462,663	578,706
Other	9	<u>24,167</u>	<u>24,167</u>
Total		486,830	602,873
 NET INCOME			
		619,081	1,885,002
 RECONCILIATION OF FUNDS			
Total funds brought forward		7,438,251	5,553,249
 TOTAL FUNDS CARRIED FORWARD			
		<u>8,057,332</u>	<u>7,438,251</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

HUMAN CAPABILITY FOUNDATION

**BALANCE SHEET
At 31 December 2018**

		2018 Unrestricted fund	2017 Total funds as restated £
	Notes	£	£
FIXED ASSETS			
Tangible assets	14	314,167	338,333
Investments			
Investments	15	240,581	-
Investment property	16	<u>3,140,000</u>	<u>3,140,000</u>
		3,694,748	3,478,333
 CURRENT ASSETS			
Debtors	17	29,923	1,876,657
Cash at bank		<u>4,356,241</u>	<u>2,124,099</u>
		4,386,164	4,000,756
 CREDITORS			
Amounts falling due within one year	18	(23,580)	(40,838)
		<u>4,362,584</u>	<u>3,959,918</u>
 NET CURRENT ASSETS			
		8,057,332	7,438,251
 TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>8,057,332</u>	<u>7,438,251</u>
 NET ASSETS			
		<u>8,057,332</u>	<u>7,438,251</u>
 FUNDS			
Unrestricted funds	19	<u>8,057,332</u>	<u>7,438,251</u>
 TOTAL FUNDS			
		<u>8,057,332</u>	<u>7,438,251</u>

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

.....
Ms N Pagarani -Trustee

The notes form part of these financial statements

HUMAN CAPABILITY FOUNDATION

**CASH FLOW STATEMENT
for the year ended 31 December 2018**

	Notes	2018 £	2017 as restated £
Cash flows from operating activities:			
Cash generated from operations	1	1,918,353	(1,431,821)
Tax paid		<u>74</u>	<u>3,506</u>
Net cash provided by (used in) operating activities		<u>1,918,427</u>	<u>(1,428,315)</u>
 Cash flows from investing activities:			
Purchase of tangible fixed assets		-	(362,500)
Rents from investments		260,000	218,750
Interest received		<u>53,715</u>	<u>78,215</u>
Net cash provided by (used in) investing activities		<u>313,715</u>	<u>(65,535)</u>
 Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at the beginning of the reporting period		<u>2,232,142</u>	<u>(1,493,850)</u>
Cash and cash equivalents at the end of the reporting period		<u>2,124,099</u>	<u>3,617,949</u>
 Cash and cash equivalents at the end of the reporting period		<u>4,356,241</u>	<u>2,124,099</u>

The notes form part of these financial statements

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CASH FLOW STATEMENT
for the year ended 31 December 2018

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES	2018	2017 as restated
	£	£
Net income for the reporting period (as per the statement of financial activities)	619,081	1,885,002
Adjustments for:		
Depreciation charges	24,167	24,167
Interest received	(53,715)	(78,215)
Rent from investments	(260,000)	(218,750)
Donated asset	(240,581)	(1,400,000)
Decrease/(increase) in debtors	1,846,733	(1,676,657)
(Decrease)/increase in creditors	(17,332)	32,632
Net cash provided by (used in) operating activities	<u>1,918,353</u>	<u>(1,431,821)</u>

HUMAN CAPABILITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2018

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 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 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 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 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.

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.

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 2018

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

	2018	2017 as restated
	£	£
Gifts	240,581	1,400,000
Donations	<u>494,798</u>	<u>760,000</u>
	<u>735,379</u>	<u>2,160,000</u>

4. OTHER TRADING ACTIVITIES

	2018	2017 as restated
	£	£
Sales of donated products	<u>15,802</u>	<u>16,150</u>

5. INVESTMENT INCOME

	2018	2017 as restated
	£	£
Rents received	260,000	218,750
Solar Electricity Income	41,015	14,760
Loan interest	<u>53,715</u>	<u>78,215</u>
	<u>354,730</u>	<u>311,725</u>

6. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (See note 7)	Support costs (See note 8)	Totals
	£	£	£
Grants	<u>440,525</u>	<u>22,138</u>	<u>462,663</u>

7. GRANTS PAYABLE

HUMAN CAPABILITY FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 December 2018**

7. GRANTS PAYABLE - continued

	2018	2017
	£	£
Grants	<u>440,525</u>	<u>550,837</u>

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

	2018	2017
	£	£
	<u>440,525</u>	<u>550,837</u>

8. SUPPORT COSTS

		Other
		£
Grants		<u>22,138</u>

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

Cost type	2018	2017
	£	£
Web site costs	33	-
Auditors' remuneration	2,200	2,100
Legal fees	1,400	6,403
Bank charges	45	382
Consultancy fees	18,460	18,984
	<hr/>	<hr/>
	<u>22,138</u>	<u>27,869</u>

HUMAN CAPABILITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 December 2018

9. OTHER

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

	2018	2017
	£	£
Depreciation - Solar panels	<u>24,167</u>	<u>24,167</u>

10. NET INCOME/(EXPENDITURE)

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

	2018	2017 as restated
	£	£
Depreciation - owned assets	<u>24,166</u>	<u>24,167</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2018 nor for the year ended 31 December 2017.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2018 nor for the year ended 31 December 2017.

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund as restated £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	2,160,000
Other trading activities	16,150
Investment income	<u>311,725</u>
Total	2,487,875
 EXPENDITURE ON	
Charitable activities	
Grants	578,706
Other	24,167

HUMAN CAPABILITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 December 2018

12.	COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued	Unrestricted fund as restated £ <hr/>
	Total	602,873 <hr/>
	NET INCOME	1,885,002
	RECONCILIATION OF FUNDS	
	Total funds brought forward	
	As previously reported	4,683,249
	Prior year adjustment	<u>870,000</u>
	As Restated	<u>5,553,249</u> <hr/>
	TOTAL FUNDS CARRIED FORWARD	<u><u>7,438,251</u></u>

13. PRIOR YEAR ADJUSTMENT

A property classified in the 2016 Accounts as a tangible fixed asset is deemed to be an investment property. This property was reclassified, in the 2017 accounts, 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.

14. TANGIBLE FIXED ASSETS

		Solar Panels £
	COST	
	At 1 January 2018 and 31 December 2018	<u>362,500</u>
	DEPRECIATION	
	At 1 January 2018	24,167
	Charge for year	<u>24,166</u>
	At 31 December 2018	<u>48,333</u>
	NET BOOK VALUE	
	At 31 December 2018	<u>314,167</u>
	At 31 December 2017	<u><u>338,333</u></u>

HUMAN CAPABILITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 December 2018

15. FIXED ASSET INVESTMENTS

	Unlisted investments £
MARKET VALUE	
Additions	<u>240,581</u>
NET BOOK VALUE	
At 31 December 2018	<u>240,581</u>
At 31 December 2017	<u>-</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.

16. INVESTMENT PROPERTY

	£
MARKET VALUE	
At 1 January 2018 and 31 December 2018	<u>3,140,000</u>
NET BOOK VALUE	
At 31 December 2018	<u>3,140,000</u>
At 31 December 2017	<u>3,140,000</u>

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017 as restated
	£	£
Other debtors	<u>29,923</u>	<u>1,876,657</u>

During the year advanced loans in aggregate to two related parties in which one of the trustees is a director were fully repaid (2017: £1.868m).

Interest on both of these loans was charged at an annual rate of 6.013% until the repayment date.

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017 as restated
	£	£
Deferred Income	-	17,332
Accruals	3,500	3,500
VAT	3,580	3,506
Other creditors	<u>16,500</u>	<u>16,500</u>
	<u>23,580</u>	<u>40,838</u>

HUMAN CAPABILITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 December 2018

19. 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
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>7,438,251</u>	<u>619,081</u>	<u>8,057,332</u>

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
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>1,105,911</u>	<u>(486,830)</u>	<u>619,081</u>

Comparatives for movement in funds

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

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,487,875	(602,873)	1,885,002
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<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 2018

20. RELATED PARTY DISCLOSURES

Entities with key directors in common	2018	2017
	£	£
Income investment properties	205,000	218,750
Solar electricity	41,015	14,760
Sales of donated products	15,802	16,150
Interest	53,715	78,215
Donations	4,798	510,000
Gifts of shares	240,581	-
	(615,911)	(837,875)
Close family of key directors personnel	2018	2017
	£	£
Gifts of property	-	1,400,000
Donations	490,000	250,000
	(490,000)	(1,650,000)

21. GRANTS

Total grants in 2018 approved by the Foundation were £440,525 (2017: £550,837).

These were made up as follows:

Institutions	Amount
Tarshi Trust	£45,328
Aajeevika Bureau	£39,499
Sappho for Equality	£31,482
Anjali	£29,303
GSVS	£28,490
SIEDS	£27,586
YP Foundation	£25,284
Kislay	£19,933
Kolkata Sanved	£19,239
Sangram	£19,027
Thoughtshop	£18,532
NEADS	£17,748
Point of View	£17,182
Jeevika	£16,322
Aman Public Trust	£16,040
Hate Speech Research	£14,149
Vikas Adhyayan Kendra	£11,465
Others	£43,916

HUMAN CAPABILITY FOUNDATION

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2018**

	2018	2017
	£	as restated £
INCOME AND ENDOWMENTS		
Donations and legacies		
Gifts	240,581	1,400,000
Donations	<u>494,798</u>	<u>760,000</u>
	735,379	2,160,000
Other trading activities		
Sales of donated products	15,802	16,150
Investment income		
Rents received	260,000	218,750
Solar Electricity Income	41,015	14,760
Loan interest	<u>53,715</u>	<u>78,215</u>
	<u>354,730</u>	<u>311,725</u>
Total incoming resources	1,105,911	2,487,875
EXPENDITURE		
Charitable activities		
Grants to institutions	440,525	550,837
Other		
Depn of solar panels	24,167	24,167
Support costs		
Other		
Web site costs	33	-
Auditors' remuneration	2,200	2,100
Legal & professional	1,400	6,403
Bank charges	45	382
Consultancy fees	<u>18,460</u>	<u>18,984</u>
	<u>22,138</u>	<u>27,869</u>
Total resources expended	486,830	602,873
Net income	<u>619,081</u>	<u>1,885,002</u>

This page does not form part of the statutory financial statements