

Registered number: 01820492
Charity number: 515755

HUMANKIND CHARITY
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

HUMANKIND CHARITY
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2021

Trustees

J Black, Chair
J E Bilbie (appointed 1 April 2020)
A Boyt
I R Dewhirst
E Felton, Vice Chair
J R Foyle
C L Gitsham
V J Holmes
C G Matthews-Maxwell
I MacQueen (appointed 1 April 2020)
S Shepherd
G K Taylor (resigned 22 May 2020)
M W Treasure, Treasurer

Company Registered Number

01820492

Charity Registered Number

515755

Registered Office

Inspiration House
Unit 22
Bowburn North Industrial Estate
Bowburn
Durham
DH6 5PF

Company Secretary

C Horner

Chief Executive Officer

P Townsley

Independent Auditors

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

Bankers

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

HUMANKIND CHARITY

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Solicitors

Womble Bond Dickinson LLP
St Ann's Wharf
112 Quayside
Newcastle upon Tyne
NE1 3DX

HUMANKIND CHARITY

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their annual report together with the audited financial statements of the Group for the 1 April 2020 to 31 March 2021. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable group comply with the current statutory requirements, the requirements of the charitable group's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Structure, governance and management

Governing document

Humankind Charity (Humankind) is a charity and company limited by guarantee – incorporated on 30 May 1984 and registered as a charity on 5 November 1984.

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

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

Recruitment, training and appointment of Trustees

The management of the Group and the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

Humankind's governing body is a voluntary Board of Trustees, each of whom sits independently and do not represent any other agencies. The Trustees who held office during the 2020/21 financial year and at the time of writing of this report are set out on page 1.

Members of the Board of Trustees meet monthly and do not receive any remuneration. Where claimed, expenses are reimbursed. Travel expenses of £985 were reimbursed during this financial year.

A subcommittee structure was implemented during the financial year which allowed for greater scrutiny of our finances (including other corporate functions), governance and innovation.

The sub-committees currently meet quarterly in advance of the Board Meeting and compose of:

- Resources
- Housing
- Work & Skills
- Quality & Performance

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management (continued)

Recruitment, training and appointment of Trustees (continued)

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

Successful candidates are then invited to join the Board of Trustees as lay members for a period of induction between three and six months. During this time they are also required to visit a number of Humankind's projects, view presentations and discuss key issues with other Board members and employees of the organisation. Trustees undertake mandatory training annually, including Information Governance, Safeguarding and Equality Diversity and Inclusion. Regular skills audits and governance reviews also take place to ensure our trustee board has the requisite skills and attributes required to oversee our charity.

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

Management structure

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

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

Pay policy for key management personnel

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

Related party relationships

More Time (UK) Limited is a wholly owned subsidiary company which was established to carry on trading activities complementing the work of Humankind Charity.

EDP (formerly Exeter Drugs Project) joined together with Humankind in April 2020 in a subsidiary merger. EDP retains many of its own processes, systems and brand but together with Humankind addresses health and social inequalities across the South West. We have a shared vision for people of all ages to be safe, building ambitions for the future and reaching towards their full potential.

Further details for related parties are started in Note 31 to the financial statements.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management (continued)

Risk strategy

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

The principal risks and uncertainties we face include: reduced viability of contracts and continuing cost pressures; the need for a skilled and committed workforce who we need to ensure feel motivated and part of Humankind; ever-changing and demanding inspection standards and demanding contract targets and outcomes. Management strategies include stringent vetting of bids and any potential liabilities they may bring; consulting with staff and implementing a strong induction program as well as reviewing our vision, mission and values with staff; employing an experienced Quality team to work with Directors and staff to embed, monitor and address contractual performance and quality standards. Our work going forward into 2021/22 will again build on the strong foundations already laid.

Disabled employees

The organisation fully complies with the Equality Act 2010. Humankind does not discriminate against employees because of mental or physical disability. This year, we have further invested in our approach to equality, diversity and inclusion with the addition of a specific post holder to build our organisational strategy and approach, in partnership with our human resources and other central teams.

Public benefit

From 1 April 2008, section 4 of the Charities Act 2011 requires all charities to meet the legal requirement that its aims be for the public benefit. The Trustees confirm that they have complied with the duty to have due regard to the Charity Commission's general guidance on public benefit.

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

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management (continued)

Plans for future periods

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

Our strategic plans for the future are based on further strengthening our foundations whilst continuing to grow in key strategic areas and further strengthening our national voice. Our growth will be with the aid of key partnerships to further enhance our offer and ensuring our service users get the best services to address their needs. Underpinning our strategy, we will also be ensuring our workforce feels valued and engaged, so that they can continue to deliver the best for our clients.

Objectives and activities

Policies and objectives

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Summary of Humankind's areas of work

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

In pursuit of our vision, we deliver:

- **Young People & Families Services:** Humankind works with people from all different stages of their life course. We offer support to vulnerable young people and young adults who have a range of different needs, as well as their carers and their wider families.
- **Health & Wellbeing Services:** One of the core aspects of Humankind's vision is for people to be safe, and therefore we see it as vital that the people that use our services, their families and their communities are healthy. Our health services range from lifestyle or behavioural advice through to clinical delivery, and these services are delivered across a national footprint.
- **Mental Health/Wellbeing:** Humankind delivers services which provide early intervention to those who are experiencing a mental health need.
- **Drug & Alcohol Recovery:** We deliver high quality substance misuse services which reduce harm, support behaviour change, promote recovery and offer comprehensive wraparound support for adults and young people.
- **Criminal Justice:** We deliver services to help those who are actively offending, or who have historically offended, to move towards a more positive lifestyle.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Objectives and activities (continued)

Summary of Humankind's areas of work (continued)

- **Housing & Independent Living:** Humankind Housing is a Registered Provider offering housing and property management/services. We also provide services which support vulnerable people to get the right tenancy for them, and to develop the skills to maintain that tenancy.
- **Education and Employment:** Humankind offers specialist education and employment services which offers vulnerable people the valuable opportunity to identify and address any barriers to their employment, to advocate with employers and to create opportunities which lead to healthier, positive and more stable lives.

Throughout 2020/21, our services additionally responded to the global Covid-19 pandemic; in doing so our staff rapidly changed the way that we deliver services, protected vulnerable populations within our communities and maintained key service delivery/interventions.

As a board of Trustees, we have been hugely impressed by the determination and resilience of our whole workforce, and want to thank both staff and volunteers for the exceptional way they have worked during this difficult period.

Our Impact

Examples of our impact in 2020/21 include:

Organisation-wide:

- Humankind supported 86,111 people across our services
- Volunteers across our services gave a total of 10,604 hours; an average of 204 hours for each week of the year
- A total of 2,014 responses were received from people who access our services, who provided the following feedback:
 - 99% felt respected by our staff
 - 99% felt staff had the right skills to support them to achieve their goal
 - 98% felt safe within our services
 - 98% felt that they received the support they needed from us
 - 96% felt that their suggestions for improvement were taken on board
 - 97% said that they have choice and control over their support

Work & Skills:

- Humankind supported 1,178 individuals within our Work & Skills services
- When asked to rate the service out of 5, learners gave the service an average score of 4.40
- 100% of learners would recommend Humankind to others

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Objectives and activities (continued)

Our Impact (continued)

Independent Living & Housing:

- 428 vulnerable people have been supported through Humankind Housing – 243 of these people were housed within our commissioned supported accommodation services.
- 71% of residents were supported to move into secure, permanent housing
- We have now refurbished 86 dilapidated empty properties and brought them back into use as specialist social housing
- 100% of tenants surveyed stated they would recommend Humankind Housing to others
- 2,489 people were supported via our Independent Living services
- 1,338 people were supported to leave our services in a supported, planned way and successfully achieved 94% of their desired outcomes;
 - 1362 were supported to develop confidence and the ability to have greater choice or control
 - 984 were supported to maximise their income including navigation of the Benefits system
 - 722 were supported to better manage their mental health
 - 737 were supported to better manage their physical health
 - 464 were supported to comply with statutory orders and/or processes relating to offending behaviour
 - 426 were supported to better manage their overall debt.
 - 121 were supported to participate in training /education.
 - 72 were supported to obtain employment

Drug and Alcohol Recovery:

- 29,392 people were supported through our structured support Recovery Services
- 40,438 people have been offered support through our Recovery Support Services
- 4,370 adults exited our services in a positive, planned way having achieved abstinence or reduced their use - a 4% increase on 2019/20
- On average, 12 people successfully complete treatment from our services drug or alcohol free each day
- For those in treatment within the last 12 months, 5,944 individuals reported an improvement psychological health, 5,170 reported improved physical health and 5,806 said their Quality of Life had improved at point of treatment review
- 586 people who used opiates reported achieving abstinence or had reliably reduced their use to safer levels
- 2,370 people who used alcohol reported achieving abstinence or reliably reduced their use to safer levels

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Objectives and activities (continued)

New service areas

During 2020/21, we were successfully awarded and/or mobilised:

- Thriving at Work
- Teesside Peer Mentor Community Support
- Teesside Peer Mentor Inpatient Support
- Leeds Adult Learning (existing service)
- Durham & Darlington Peer Mentor Support Service
- Greater Manchester Housing First Intervention Delivery Partner
- North Yorkshire YP Substance Misuse
- County Durham Provider Panel Community Learning
- DWP CAEHRS Sefton Restart Programme
- North Yorkshire Criminal Justice Diversionary Service – Women (existing service)
- North Yorkshire Criminal Justice Diversionary Service - Men aged 18-25
- NHS North of England Prison Substance Misuse Delivery (in partnership with Spectrum and TEWV NHS Trust)
- South Tyneside CCG South Tyneside Rainbow Flag Award (existing service)
- Staffordshire Drug and Alcohol Services

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

In addition, on 1st April 2020, EDP Drug & Alcohol Services became a subsidiary of Humankind. EDP are a South West-based charity which delivers drug and alcohol services across prisons and the community in Dorset and Devon. This exciting progression has expanded Humankind's range and coverage of services, whilst retaining EDP's experience and ability to deliver impactful services across the South West of England.

Financial review

Our focus this year has been to strengthen and consolidate our financial position. In spite of the pandemic and additional costs this and Brexit attracted, we further strengthened our group position. We have monitored potential and actual costs closely to ensure that we continued to meet our charitable objectives as well as strengthening our position for the future. We have also been successful in attracting new business to the group which too has contributed to the positive result in the year.

The majority of our funding is still obtained by tendering for the delivery of our specialist services. Our funders include Local Authorities, CCG's, Skills Funding Agency, the Big Lottery, DWP and charitable grants and donations.

Total group income for the year was £65.1m, representing an increase in income of 30% on 2019/20 with a group surplus of funds totaling £4m.

Total group funds carried forward of £12.6m comprise group unrestricted funds totaling £12.4m and restricted funds totaling £235k.

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

In year, Humankind purchased services from More Time (UK) Limited to the value of £237,105, relating to premises cleaning work. This represents 84% of More Time's income for the year. More Time has made a surplus of £30,183 in the year.

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

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Strategic report

Reserves policy

Following the review of our reserves policy in the last financial year, we believe that the target level set continues to be sufficient for the needs of our organisation. Our reserves policy is set at an equivalent to one month of total resources expended.

Such a level of reserves would provide a buffer to enable the organisation to make provisions for the loss of a major service whilst maintaining effective management and administration of the group. These reserves also provide working capital to enable development of service provision.

Based on the above, target reserves would have needed to have been £5.2m. The actual free reserves balance of £6.5m exceeds our target. We continue to review the requirements for setting an appropriate reserves policy, to ensure we are able to continue to meet our charities aspirations in the future.

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity and group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Engagement with employees and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Group and the Charity carry out exit interviews for all staff leaving the organisation and have adopted a procedure of upward feedback for senior management and the Trustees.

The Group and the Charity have implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the Group and the Charity's equal opportunities policy, the Group and the Charity have long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Charity's offices.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Strategic report (continued)

Greenhouse gas emissions, energy consumption and energy efficiency action

UK Greenhouse gas emissions and energy use data for the period 1 April 2020 to 31 March 2021.

Energy consumption break down (kWh):

- Natural Gas for Heating - 766,583 kWh (141 tonnes CO₂e)
- Electricity - 596,872 kWh (151 tonnes CO₂e)
- Transport - 365,902 kWh (87 tonnes CO₂e)
- Total - 1,729,357 kWh (379 tonnes CO₂e)

The data and information contained in this document is calculated and reported in line with the methodology set out in the UK Government's Environmental Reporting Guidelines, March 2019.

An operational approach has been used to define the Greenhouse Gas emissions boundary. This approach captures emissions associated with the operation of all buildings within the scope of the regulation, plus transport; company-owned, leased and private vehicles used for business travel. This report covers UK operations only, as required by SECR for Non-Quoted Large Companies. There are no material omissions from the mandatory scope 1, 2 and 3 emissions.

The carbon and energy consumption associated with the operation of buildings includes the consumption electricity and gas, in those instances where Humankind have direct responsibility for paying for the electricity and gas consumption, through a metering and utility invoices.

In other circumstances, where Humankind is a tenant in a building, for which they have no maintenance or operation control, for example control over the infrastructure or building service, or where they operate managed services, energy consumption has been included in those instances it is considered material to the environmental impact of the group i.e. where energy consumption is a significant percentage of the total Estate or where it can be affected by Humankind.

This approach reflects the complexity of the Humankind Estate and often-complicated arrangements between landlord, tenant and project funder, where the utility invoices are not directly paid by Humankind. For example, Humankind operate as a social landlord, where a property may be rented but a tenant installed. The tenant is ultimately responsible for controlling consumption and the landlord for the building's infrastructure, services and maintenance. Other examples include where the charity manages a commissioned service, where staffed services are provided only, with Humankind having no responsibility for maintenance, nor the ability to improve the building infrastructure, services or energy efficiency, often these examples have the cost of utilities recharged to the funder.

Approximately 8% of energy consumption data, is based on estimated data due to the availability of meter readings and data, this is deemed permissible with the guidelines.

Emissions have been calculated using the latest conversion factors provided by the UK Government. There are no material omissions from the mandatory reporting scope.

The reporting period is April 2020 to March 2021, in accordance with the financial reporting period.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Strategic report (continued)

Greenhouse gas emissions, energy consumption and energy efficiency action (continued)

Humankind have progressed LED roll-out at several of properties on their estate, replacing the old lighting with energy efficient alternatives as and when it fails but recognise a strategy is needed to assess the Estate and reduce our emissions in the longer-term, this strategy is a key consideration for the next financial year.

In accordance with the legislation an intensity ratio has been calculated, this expresses the business' annual emissions in relation to a quantifiable factor or normaliser. The intensity ratio calculated for Humankind is **6.83 tonnes CO2 per £m revenue is 62% lower than last year.**

Value for money statement

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

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

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

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

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

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

Value for Money Metrics as at 31 March 2021

		2021	2020
Metric 1	Reinvestment %	18%	16%
Metric 2A	New supply delivered % (social housing units)	8%	24%
Metric 2B	New supply delivered % (non-social housing units)	0%	0%
Metric 3	Gearing %	-23%	-145%
Metric 4	EBITDA MRI interest cover %	-1,116%	32,845%
Metric 5	Headline social housing cost per unit	£8,797	£7,658
Metric 6A	Operating margin % (social housing lettings only)	4%	5%
Metric 6B	Operating margin % (overall)	4%	9%
Metric 7	Return on capital employed	19%	50%

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Statement of Trustees' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

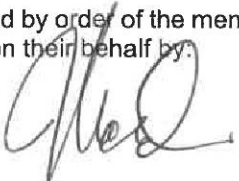
Disclosure of information to auditors

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

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

The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 30th September 2021 and signed on their behalf by:


J Black
(Chair of Trustees)

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HUMANKIND CHARITY

Opinion

We have audited the financial statements of Humankind Charity (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2021 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HUMANKIND CHARITY (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

HUMANKIND CHARITY
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HUMANKIND CHARITY (CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, 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 Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, to detect material misstatements in respect of irregularities, including

fraud. Our audit must be alert to the risk of manipulation of the financial statements and seek to understand the incentives and opportunities for management to achieve this.

We undertake the following procedures to identify and respond to these risks of non-compliance:

- Understanding the key legal and regulatory frameworks that are applicable to the Group. We communicated identified laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit. We determined the most significant of these to be around employment law, charity law, company law, health and safety law, taxation law and GDPR
- Enquiry of directors and management as to policies and procedures to ensure compliance and any known instances of non-compliance
- Review of Board minutes and correspondence with regulators
- Enquiry of directors and management as to areas of the financial statements susceptible to fraud and how these risks are managed
- Challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. These key areas of uncertainty are disclosed in the accounting policies
- Identifying and testing unusual journal entries, with a particular focus on manual journal entries.

HUMANKIND CHARITY

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

Auditors' responsibilities for the audit of the financial statements (continued)

Through these procedures, we did not become aware of actual or suspected non-compliance.

We planned and performed our audit in accordance with auditing standards but owing to the inherent limitations of procedures required in these areas, there is an unavoidable risk that we may not have detected a material misstatement in the accounts. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve concealment, collusion, forgery, misrepresentations, or override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Christopher Beaumont BA(Hons) BFP FCA DChA (Senior statutory auditor)

for and on behalf of
Clive Owen LLP

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

Date: *1st October 2021*

HUMANKIND CHARITY
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	4	37,516	40,400	77,916	5,153,245
Charitable activities	5	50,228,633	14,741,625	64,970,258	44,898,374
Other trading activities	6	56,089	-	56,089	34,742
Investments	7	863	-	863	20,769
Other income		7,854	-	7,854	18,750
Total income		50,330,955	14,782,025	65,112,980	50,125,880
Expenditure on:					
Raising funds		251,347	-	251,347	234,989
Charitable activities	8	47,146,142	14,728,927	61,875,069	45,363,592
Other expenditure	9	(1,032,828)	-	(1,032,828)	161,000
Total expenditure		46,364,661	14,728,927	61,093,588	45,759,581
Net income		3,966,294	53,098	4,019,392	4,366,299
Transfers between funds	23	(8,237)	8,237	-	-
Net movement in funds before other recognised gains/(losses)		3,958,057	61,335	4,019,392	4,366,299
Other recognised gains/(losses):					
Actuarial (losses)/gains on defined benefit pension schemes	29	(60,000)	-	(60,000)	67,000
Net movement in funds		3,898,057	61,335	3,959,392	4,433,299
Reconciliation of funds:					
Total funds brought forward		8,496,185	173,641	8,669,826	4,236,527
Net movement in funds		3,898,057	61,335	3,959,392	4,433,299
Total funds carried forward		12,394,242	234,976	12,629,218	8,669,826

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

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Intangible assets	15		-		-
Tangible assets	16		8,517,543		7,329,952
Investments	17		1		35,001
			<u>8,517,544</u>		<u>7,364,953</u>
Current assets					
Stocks	18	129,143		58,945	
Debtors	19	6,713,956		8,555,935	
Cash at bank and in hand		10,669,327		4,850,960	
			<u>17,512,426</u>		<u>13,465,840</u>
Creditors: amounts falling due within one year	20	(10,830,132)		(10,122,636)	
Net current assets			<u>6,682,294</u>		<u>3,343,204</u>
Total assets less current liabilities			<u>15,199,838</u>		<u>10,708,157</u>
Creditors: amounts falling due after more than one year	21	(2,355,702)		(1,928,331)	
Provisions for liabilities	22	(42,918)		-	
Net assets excluding pension liability			<u>12,801,218</u>		<u>8,779,826</u>
Defined benefit pension scheme liability	29	(172,000)		(110,000)	
Total net assets			<u><u>12,629,218</u></u>		<u><u>8,669,826</u></u>
Charity funds					
Restricted funds	23		234,976		173,641
Unrestricted funds					
Unrestricted funds excluding pension asset	23	12,566,242		8,606,185	
Pension reserve	23	(172,000)		(110,000)	
Total unrestricted funds	23		<u>12,394,242</u>		<u>8,496,185</u>
Total funds			<u><u>12,629,218</u></u>		<u><u>8,669,826</u></u>


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

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on *30th September 2021*
and signed on their behalf by:

J Black
(Chair of Trustees)



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

CHARITY BALANCE SHEET
AS AT 31 MARCH 2021

	Note		2021 £	2020 £
Fixed assets				
Tangible assets	16		8,450,420	7,329,952
Investments	17		1,032,830	35,002
			9,483,250	7,364,954
Current assets				
Stocks	18	128,278	57,129	
Debtors	19	6,199,624	8,741,688	
Cash at bank and in hand		8,832,719	4,817,181	
		15,160,621	13,615,998	
Creditors: amounts falling due within one year	20	(9,890,197)	(10,082,732)	
Net current assets			5,270,424	3,533,266
Total assets less current liabilities			14,753,674	10,898,220
Creditors: amounts falling due after more than one year	21		(2,355,702)	(1,928,331)
Net assets excluding pension liability			12,397,972	8,969,889
Defined benefit pension scheme liability	29		(172,000)	(110,000)
Total net assets			12,225,972	8,859,889
Charity funds				
Restricted funds	23	234,976	173,641	
Restricted funds	23		234,976	173,641
Unrestricted funds				
Unrestricted funds excluding pension liability	23	11,130,168	8,796,248	
Pension reserve	23	(172,000)	(110,000)	
Total unrestricted funds	23		11,990,996	8,686,248
Total funds			12,225,972	8,859,889

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

CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on ... 30th September 2021 ... and signed on their behalf by:



J Black
(Chair of Trustees)

HUMANKIND CHARITY
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	£	£
Cash flows from operating activities		
Net cash used in operating activities - Note 25	7,690,144	(1,084,081)
	<hr/>	<hr/>
Cash flows from investing activities		
Dividends, interests and rents from investments	14,188	20,769
Purchase of tangible fixed assets	(1,889,718)	(1,256,392)
Proceeds from sale of investments	35,000	-
	<hr/>	<hr/>
Net cash used in investing activities	(1,840,530)	(1,235,623)
	<hr/>	<hr/>
Cash flows from financing activities		
Repayments of borrowing	(31,247)	(31,434)
Cash received on merger	-	1,528,323
	<hr/>	<hr/>
Net cash (used in)/provided by financing activities	(31,247)	1,496,889
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	5,818,367	(822,815)
Cash and cash equivalents at the beginning of the year	4,850,960	5,673,775
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	10,669,327	4,850,960
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 24 to 53 form part of these financial statements

HUMANKIND CHARITY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2019.

Humankind Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

2.2 Income

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

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

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

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

Investment income is recognised on a receivable basis.

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

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

HUMANKIND CHARITY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.3 Expenditure

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

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

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

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

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

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

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.4 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.5 Taxation

The charity is exempt from taxation on its charitable activities.

HUMANKIND CHARITY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.6 Intangible assets and amortisation

Intangible assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation has been fully provided within the year.

2.7 Tangible fixed assets and depreciation

Social housing properties for letting

Housing properties are stated at cost less accumulated depreciation.

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

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

UELs for identified components are as follows:

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

At each reporting date the Charitable group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

HUMANKIND CHARITY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- 2% - 50% on cost
Longterm leasehold property	- in line with lease agreement
Motor vehicles	- 20% - 33.33% on cost
Fixtures and fittings	- 20% - 50% on cost
Computer equipment	- 20% on cost

Social housing grant

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

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

Recycling of capital grants

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

Impairments

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

Major Repairs

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

2.8 Investments

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

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

HUMANKIND CHARITY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.9 Stocks

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

2.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.11 Cash at bank and in hand

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

2.12 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity and group anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.13 Provisions

Provisions are recognised when the Group has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2.14 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.15 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight line basis over the lease term.

2.16 Pensions

The group operates a defined contribution pension scheme. The group has no liability under the scheme other than payment of those contributions to a separately administered fund. The group also has two members of staff who are members of the West Yorkshire Pension Fund, a Local Government Pension Scheme (LGPS). This is a defined benefit scheme. The group has obtained an LGPS valuation as at 31 March 2021.

HUMANKIND CHARITY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.17 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 March 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability. In the current year the actuary has made assumptions to estimate the liability associated with McCloud Sargeant (McCloud) and GMP Indexation and Equalisation (GMP).

HUMANKIND CHARITY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

3. Critical accounting estimates and areas of judgment (continued)

Critical areas of judgment:

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of the asset. An estimate of the useful life of the assets is detailed in the tangible fixed assets and depreciation accounting policy. The value of depreciation charge during the year was £702,127.

4. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	37,516	40,400	77,916	5,153,245
<i>Total 2020</i>	<i>5,110,013</i>	<i>43,232</i>	<i>5,153,245</i>	

5. Income from charitable activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Central support services	9,673,834	187,387	9,861,221	25,002
Young people and families	1,204,205	82,372	1,286,577	1,384,055
Health	32,902,033	12,065,826	44,967,859	35,171,218
Criminal justice	-	-	-	564,177
Housing and independent living	6,133,371	67,441	6,200,812	6,332,760
Education and employment	315,190	2,338,599	2,653,789	1,421,162
Total 2021	50,228,633	14,741,625	64,970,258	44,898,374
<i>Total 2020</i>	<i>30,043,195</i>	<i>14,855,179</i>	<i>44,898,374</i>	

HUMANKIND CHARITY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
More Time (UK) Limited	56,089	56,089	34,742
<i>Total 2020</i>	<u>34,742</u>	<u>34,742</u>	

7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Investment income	863	863	20,769
<i>Total 2020</i>	<u>20,769</u>	<u>20,769</u>	

HUMANKIND CHARITY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Central support services	9,082,541	187,387	9,269,928	1,213,466
Young people and families	1,096,311	82,373	1,178,684	1,309,673
Health	30,807,107	12,007,051	42,814,158	34,761,370
Criminal justice	-	-	-	524,001
Housing and independent living	5,687,628	109,005	5,796,633	6,102,935
Education and employment	472,555	2,343,111	2,815,666	1,452,147
	<u>47,146,142</u>	<u>14,728,927</u>	<u>61,875,069</u>	<u>45,363,592</u>
<i>Total 2020</i>	<u><u>30,425,861</u></u>	<u><u>14,937,731</u></u>	<u><u>45,363,592</u></u>	

9. Other expenditure

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Pension fund liability	-	-	161,000
Goodwill on consolidation	(1,032,828)	(1,032,828)	-
	<u>(1,032,828)</u>	<u>(1,032,828)</u>	<u>161,000</u>
<i>Total 2020</i>	<u><u>161,000</u></u>	<u><u>161,000</u></u>	

In 2020 the charity included the LGPS liability on its balance sheet. Prior to this as it was an immaterial amount it was included as a note to the accounts. The entire LGPS liability as at 31 March 2019 of £161,000 was recognised as a cost in the 2020 financial statements.

HUMANKIND CHARITY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

10. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Central support services	9,085,815	184,113	9,269,928	1,213,466
Young people and families	1,053,416	125,268	1,178,684	1,309,673
Health	39,330,272	3,483,886	42,814,158	34,761,370
Criminal justice	-	-	-	524,001
Housing and independent living	5,395,753	400,880	5,796,633	6,102,935
Education and employment	2,665,991	149,675	2,815,666	1,452,147
	<u>57,531,247</u>	<u>4,343,822</u>	<u>61,875,069</u>	<u>45,363,592</u>
<i>Total 2020</i>	<u>40,320,112</u>	<u>5,043,480</u>	<u>45,363,592</u>	

11. Auditors' remuneration

	2021 £	<i>2020 £</i>
Fees payable to the Charity's auditor and its associates for the audit of the Charity's annual accounts	39,500	19,500
Fees payable to the Charity's auditor and its associates in respect of: All non-audit services not included above	-	1,000

12. Staff costs

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Wages and salaries	34,627,165	25,398,753	29,339,617	25,218,546
Social security costs	2,948,296	2,171,799	2,517,927	2,166,513
Contribution to defined contribution pension schemes	1,422,994	968,898	1,177,298	968,358
Operating costs of defined benefit pension schemes	(1,000)	12,000	(1,000)	12,000
	<u>38,997,455</u>	<u>28,551,450</u>	<u>33,033,842</u>	<u>28,365,417</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

12. Staff costs (continued)

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

	Group 2021 No.	<i>Group 2020 No.</i>	Company 2021 No.	<i>Company 2020 No.</i>
Charitable activities	1,272	887	1,044	887
Governance	2	2	2	2
Support activities	100	97	100	97
Generating funds	36	29	-	-
	1,410	<i>1,015</i>	1,146	<i>986</i>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2021 No.	<i>Group 2020 No.</i>
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	2	2
In the band £80,001 - £90,000	3	5
In the band £90,001 - £100,000	4	3
In the band £100,001 - £110,000	1	-
In the band £110,001 - £120,000	1	1

Total employment benefits paid by the Group in the year in respect of the key management personnel were £960,728 (2020: £716,609).

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, expenses totalling £985 were reimbursed or paid directly to 2 Trustees (2020 - £5,525 to 3 Trustees).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

14. Income and expenditure from social housing

	2021	2020
	£	£
Income from social housing letting activities		
Rent receivable	2,624,613	2,349,159
Service charge income	-	-
Gross rent receivable	2,624,613	2,349,159
Rent losses from voids	(357,970)	(300,807)
Net rents receivable	2,266,644	2,048,352
Amortised government grants	96,868	88,117
Other income	6,944	13,880
Total income from social housing letting activities	2,370,456	2,150,349
Expenditure on social housing letting activities		
Management	398,593	333,515
Other costs	1,437,114	1,321,699
Maintenance	272,334	239,513
Depreciation	165,502	145,855
Total expenditure on social housing letting activities	2,273,543	2,040,582
Operating surplus on social housing letting activities	96,913	109,767
 Accommodation in Management		
Supported housing – No. of units	274	258

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

15. Intangible assets

Group

	Goodwill £	Negative goodwill £	Total £
Cost			
At 1 April 2020	42,000	-	42,000
Additions	-	(1,032,828)	(1,032,828)
At 31 March 2021	<u>42,000</u>	<u>(1,032,828)</u>	<u>(990,828)</u>
Amortisation			
At 1 April 2020	42,000	-	42,000
Charge for the year	-	(1,032,828)	(1,032,828)
At 31 March 2021	<u>42,000</u>	<u>(1,032,828)</u>	<u>(990,828)</u>
Net book value			
At 31 March 2021	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2020	<u>-</u>	<u>-</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

16. Tangible fixed assets

Group

	Freehold property £	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Social housing properties held for letting £	Total £
Cost or valuation							
At 1 April 2020	5,393,520	4,155,713	143,646	1,532,415	-	-	11,225,294
Additions	829,560	520,559	3,587	329,357	125,743	-	1,808,806
On acquisition of subsidiaries	-	-	26,280	262,920	-	-	289,200
Disposals	-	-	-	(88,866)	-	-	(88,866)
Transfers between classes	3,866,905)	(808,555)	-	-	-	4,675,460	-
At 31 March 2021	<u>2,356,175</u>	<u>3,867,717</u>	<u>173,513</u>	<u>2,035,826</u>	<u>125,743</u>	<u>4,675,460</u>	<u>13,234,434</u>
Depreciation							
At 1 April 2020	589,885	1,950,226	84,810	1,270,421	-	-	3,895,342
Charge for the year	174,676	292,915	30,927	197,893	5,716	-	702,127
On disposals	-	-	-	(88,866)	-	-	(88,866)
Transfers between classes	(366,357)	(453,461)	-	-	-	819,818	-
On acquisition of subsidiaries	-	-	26,280	182,008	-	-	208,288
At 31 March 2021	<u>398,204</u>	<u>1,789,680</u>	<u>142,017</u>	<u>1,561,456</u>	<u>5,716</u>	<u>819,818</u>	<u>4,716,891</u>
Net book value							
At 31 March 2021	<u><u>1,957,971</u></u>	<u><u>2,078,037</u></u>	<u><u>31,496</u></u>	<u><u>474,370</u></u>	<u><u>120,027</u></u>	<u><u>3,855,642</u></u>	<u><u>8,517,543</u></u>
At 31 March 2020	<u><u>4,803,635</u></u>	<u><u>2,205,487</u></u>	<u><u>58,836</u></u>	<u><u>261,994</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>7,329,952</u></u>

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16. Tangible fixed assets (continued)

Company

	Freehold property £	Long- term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Social housing properties held for letting £	Total £
Cost or valuation							
At 1 April 2020	5,386,800	4,155,713	143,646	1,527,317	-	-	11,213,476
Additions	829,560	520,559	3,587	281,952	125,743	-	1,761,401
Transfers between classes	(3,866,905)	(808,555)	-	-	-	4,675,460	-
At 31 March 2021	<u>2,349,455</u>	<u>3,867,717</u>	<u>147,233</u>	<u>1,809,269</u>	<u>125,743</u>	<u>4,675,460</u>	<u>12,974,877</u>
Depreciation							
At 1 April 2020	583,165	1,950,226	84,810	1,265,323	-	-	3,883,524
Charge for the year	174,676	292,915	30,927	136,699	5,716	-	640,933
Transfers between classes	(366,357)	(453,461)	-	-	-	819,818	-
At 31 March 2021	<u>391,484</u>	<u>1,789,680</u>	<u>115,737</u>	<u>1,402,022</u>	<u>5,716</u>	<u>819,818</u>	<u>4,524,457</u>
Net book value							
At 31 March 2021	<u><u>1,957,971</u></u>	<u><u>2,078,037</u></u>	<u><u>31,496</u></u>	<u><u>407,247</u></u>	<u><u>120,027</u></u>	<u><u>3,855,642</u></u>	<u><u>8,450,420</u></u>
At 31 March 2020	<u><u>4,803,635</u></u>	<u><u>2,205,487</u></u>	<u><u>58,836</u></u>	<u><u>261,994</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>7,329,952</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

17. Fixed asset investments

Group	Investments £
Cost or valuation	
At 1 April 2020	35,001
Disposals	(35,000)
At 31 March 2021	<u>1</u>
Net book value	
At 31 March 2021	<u>1</u>
<i>At 31 March 2020</i>	<u>35,001</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Fixed asset investments (continued)

Charity	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2020	35,002
Additions	1,032,828
Disposals	(35,000)
At 31 March 2021	<u><u>1,032,830</u></u>
Net book value	
At 31 March 2021	<u><u>1,032,830</u></u>
<i>At 31 March 2020</i>	<u><u>35,002</u></u>

Principal subsidiaries

The following were subsidiary undertakings of the Charity:

Names	Company number	Charity registration number	Holding
More Time (UK) Limited	07738729		100%
The Sector Group Limited (dormant)	07738950		100%
E D P Drug & Alcohol Services	2145656	0297370	100%

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
More Time (UK) Limited	293,194	263,011	30,183	(267,684)
The Sector Group Limited (dormant)	-	-	-	1
E D P Drug & Alcohol Services	9,616,943	9,053,817	563,126	1,595,954

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Stocks

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Raw materials and consumables	865	1,816	-	-
Finished goods and goods for resale	128,278	57,129	128,278	57,129
	<u>129,143</u>	<u>58,945</u>	<u>128,278</u>	<u>57,129</u>

19. Debtors

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Due within one year				
Trade debtors	4,189,833	6,410,020	3,628,845	6,397,774
Amounts owed by group undertakings	-	-	110,408	114,169
Amounts owed by participating interests	-	-	68,712	83,776
Other debtors	238,336	49,331	209,151	49,331
Prepayments and accrued income	2,285,787	2,096,584	2,182,508	2,096,638
	<u>6,713,956</u>	<u>8,555,935</u>	<u>6,199,624</u>	<u>8,741,688</u>

20. Creditors: Amounts falling due within one year

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Bank loans	31,742	32,599	31,742	32,599
Trade creditors	3,653,579	1,858,373	3,339,564	1,855,754
Other taxation and social security	991,457	783,493	869,141	760,715
Other creditors	467,315	412,126	380,888	411,929
Accruals and deferred income	5,686,039	7,036,045	5,268,862	7,021,735
	<u>10,830,132</u>	<u>10,122,636</u>	<u>9,890,197</u>	<u>10,082,732</u>

HUMANKIND CHARITY
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20. Creditors: Amounts falling due within one year (continued)

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Deferred income at 1 April 2020	5,546,346	4,494,482	5,029,202	4,493,942
Resources deferred during the year	3,476,504	5,546,346	3,342,038	5,029,202
Amounts released from previous periods	(5,546,346)	(4,494,482)	(5,029,202)	(4,493,942)
	3,476,504	5,546,346	3,342,038	5,029,202

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

21. Creditors: Amounts falling due after more than one year

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Bank loans	226,020	256,410	226,020	256,410
Other creditors	2,129,682	1,671,921	2,129,682	1,671,921
	2,355,702	1,928,331	2,355,702	1,928,331

Bank loans totaling £257,762 (2020: £289,009) are secured on the assets to which they relate.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

22. Provisions

Group

	Dilapidations £
Additions	42,918
	42,918

Charity

No provisions are held in the parent charity.

23. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds						
Designated funds						
Fixed Asset Reserve	80,912	-	(61,194)	47,405	-	67,123
	80,912	-	(61,194)	47,405	-	67,123
General funds						
Unrestricted funds	8,525,273	50,330,955	(46,301,467)	(55,642)	-	12,499,119
Pension reserve	(110,000)	-	(2,000)	-	(60,000)	(172,000)
	8,415,273	50,330,955	(46,303,467)	(55,642)	(60,000)	12,327,119
Total Unrestricted funds	8,496,185	50,330,955	(46,364,661)	(8,237)	(60,000)	12,394,242

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

23. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Restricted funds						
Big lottery	73,856	437,669	(437,669)	-	-	73,856
Independent living	21,290	73,006	(70,838)	-	-	23,458
Drugs and alcohol	478	11,628,550	(11,569,382)	-	-	59,646
Health, young people and families	78,017	82,372	(82,373)	-	-	78,016
Work and skills	-	2,338,799	(2,343,111)	4,312	-	-
Humankind housing	-	34,242	(38,167)	3,925	-	-
Central	-	29,998	(29,998)	-	-	-
OPCC	-	12,500	(12,500)	-	-	-
Sport England	-	48,806	(48,806)	-	-	-
Teignbridge rough sleeper initiative	-	17,227	(17,227)	-	-	-
Avon and Somerset PCC	-	18,750	(18,750)	-	-	-
Petroc College	-	14,999	(14,999)	-	-	-
Exeter City Council	-	14,742	(14,742)	-	-	-
National Lottery Community Fund	-	30,365	(30,365)	-	-	-
	<u>173,641</u>	<u>14,782,025</u>	<u>(14,728,927)</u>	<u>8,237</u>	<u>-</u>	<u>234,976</u>
Total of funds	<u><u>8,669,826</u></u>	<u><u>65,112,980</u></u>	<u><u>(61,093,588)</u></u>	<u><u>-</u></u>	<u><u>(60,000)</u></u>	<u><u>12,629,218</u></u>

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23. Statement of funds (continued)

Unrestricted funds represents resources available for general work, it also includes donations following acquisition with E D P Drug & Alcohol Services along with unrestricted project income identified in note 4.

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

Big Lottery - WY-FI (main contract)

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

Health, young people and families

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

Drugs and alcohol

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

Independent living

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

Work and skills

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

Humankind housing

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

Office of the Police and Crime Commissioner, Devon & Cornwall (OPCC)

This fund represents a grant from OPCC for the delivery of a Prisoner Resettlement Pilot at HMP Exeter, specifically provision of a Resettlement Coordinator and the Departure Lounge Café. The grant was fully spent in the year with the project now extended from September 2020 for another 12 months.

Avon and Somerset PCC

This fund represents a grant from ASPCC to continue our Prisoner resettlement Project at HMP Exeter for 12 months from September 2020. This is specifically for provision of a Resettlement Coordinator and the Departure Lounge Café. Half of the grant was spent in year with the balance to be spent in the first 6 months of the year to 31 March 2022.

Sport England

This fund represents a three year grant by Sport England for their Flourish in Nature project using National Lottery funding. Specifically it is to be used to train up cohorts of volunteer outdoor activity leaders in Devon.

Petroc College

This fund represents a grant awarded by Petroc College as part of their wider project funded by the European Social Fund specifically to be used to continue to develop the scalability and sustainability of EDP's social enterprise Hidden Gems. The grant received so far was fully spent in the year and there is the potential to draw down a small amount of further funding during the year to 31 March 2022.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

23. Statement of funds (continued)

Exeter City Council

This fund represents a grant by Exeter City Council for the employment of a specialist navigator for 12 months, under Exeter's award of funding through the Rough Sleeper Rapid Rehousing Pathway programme.

National Lottery Awards for All

A grant awarded by the National Lottery Awards for All for Devon Time (time banking project), specifically for a Time Broker (working 15 hours per week for 43 weeks) to develop Time Bank branches across Torridge and North Devon.

Teignbridge rough sleeper initiative

This fund represents a grant from Teignbridge District Council and South Hams & West Devon Council to contribute towards an outreach service which will work alongside the existing rough sleeper outreach services covering both districts. The original grant was to cover the period to 31 March 2021 but the funding has now been extended to 31 August 2021.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

23. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 March 2020</i>
	£	£	£	£	£	£
Unrestricted funds						
Unrestricted funds	4,052,672	35,227,469	(30,644,850)	(29,106)	-	8,606,185
Defined benefit pension scheme	-	-	(177,000)	-	67,000	(110,000)
	<u>4,052,672</u>	<u>35,227,469</u>	<u>(30,821,850)</u>	<u>(29,106)</u>	<u>67,000</u>	<u>8,496,185</u>
Restricted funds						
Big lottery	73,850	1,221,241	(1,221,235)	-	-	73,856
Independent living	21,084	68,812	(68,606)	-	-	21,290
Drugs and alcohol	2,490	12,189,178	(12,191,190)	-	-	478
Health, young people and families	86,431	189,717	(198,131)	-	-	78,017
Work and skills	-	1,164,870	(1,192,070)	27,200	-	-
Humankind housing	-	39,591	(41,497)	1,906	-	-
Central	-	25,002	(25,002)	-	-	-
	<u>183,855</u>	<u>14,898,411</u>	<u>(14,937,731)</u>	<u>29,106</u>	<u>-</u>	<u>173,641</u>
Total of funds	<u><u>4,236,527</u></u>	<u><u>50,125,880</u></u>	<u><u>(45,759,581)</u></u>	<u><u>-</u></u>	<u><u>67,000</u></u>	<u><u>8,669,826</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

24. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	5,874,573	2,642,970	8,517,543
Fixed asset investments	1	-	1
Current assets	12,796,067	4,716,359	17,512,426
Creditors due within one year	(5,835,461)	(4,994,671)	(10,830,132)
Creditors due in more than one year	(226,020)	(2,129,682)	(2,355,702)
Provisions for liabilities and charges	(214,918)	-	(214,918)
Total	12,394,242	234,976	12,629,218

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	5,737,972	1,591,980	7,329,952
Fixed asset investments	35,001	-	35,001
Current assets	9,135,790	4,330,050	13,465,840
Creditors due within one year	(5,525,205)	(4,597,431)	(10,122,636)
Creditors due in more than one year	(777,373)	(1,150,958)	(1,928,331)
Provisions for liabilities and charges	(110,000)	-	(110,000)
Total	8,496,185	173,641	8,669,826

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

25. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2021 £	<i>Group 2020 £</i>
Net income for the year (as per Statement of Financial Activities)	4,019,392	4,366,299
Adjustments for:		
Depreciation charges	702,127	839,164
Goodwill amortisation	(1,032,828)	-
Gains on investments	1,032,828	-
Dividends, interests and rents from investments	(14,188)	(20,769)
Loss on the sale of fixed assets	-	8,032
Decrease/(increase) in stocks	(70,198)	-
Decrease/(increase) in debtors	1,841,979	(2,013,095)
Increase in creditors	1,209,032	663,353
Pension fund resources expended	2,000	177,000
Donation on merger	-	(5,104,065)
Net cash provided by/(used in) operating activities	7,690,144	<i>(1,084,081)</i>

26. Analysis of cash and cash equivalents

	Group 2021 £	<i>Group 2020 £</i>
Cash in hand	10,669,327	4,850,960
Total cash and cash equivalents	10,669,327	<i>4,850,960</i>

27. Analysis of changes in net debt

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	4,850,960	5,818,367	10,669,327
Debt due within 1 year	(32,599)	857	(31,742)
Debt due after 1 year	(256,410)	30,390	(226,020)
	4,561,951	5,849,614	10,411,565

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28. Capital commitments

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Contracted for but not provided in these financial statements				
Acquisition of software and training	-	132,046	-	132,046

29. Pension commitments

The Group operates a defined benefit pension scheme.

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee administered funds. The total contribution made for the year ended 31 March 2021 was £10,000 (2020 - £9,000), of which employer's contributions totalled £8,000 (2020 - £7,000) and employees' contributions totalled £2,000 (2020 - £2,000). The agreed contribution rates for future years are 18.6% for employers and 5.5% - 10.5% for employees.

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

	At 31 March 2021 %	<i>At 31 March 2020 %</i>
Discount rate	2.10	2.30
Future salary increases	3.85	3.05
Future pension increases	2.60	1.80
CPI inflation	2.60	1.80

	At 31 March 2021 Years	<i>At 31 March 2020 Years</i>
Mortality rates (in years)		
- for a male aged 65 now	21.9	21.8
- at 65 for a male aged 45 now	22.6	22.5
- for a female aged 65 now	24.7	24.6
- at 65 for a female aged 45 now	25.8	25.7

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29. Pension commitments (continued)

Sensitivity analysis

	At 31 March 2021	<i>At 31 March 2020</i>
	£	£
Discount rate +0.1%	300,000	201,000
Discount rate -0.1%	320,000	215,000
Mortality assumption - 1 year increase	299,000	201,000
Mortality assumption - 1 year decrease	321,000	215,000
CPI rate +0.1%	303,000	213,000
CPI rate -0.1%	317,000	203,000
	<u>317,000</u>	<u>203,000</u>

The Group's share of the assets in the scheme was:

	At 31 March 2021	<i>At 31 March 2020</i>
	£	£
Equities	111,000	75,950
Gilts	12,000	9,408
Corporate bonds	6,000	4,998
Property	5,000	4,410
Cash and other liquid assets	3,000	1,862
Other	2,000	2,372
Total fair value of assets	<u>139,000</u>	<u>99,000</u>

The actual return on scheme assets was £24,000 (2020 - £(11,000)).

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

	2021	<i>2020</i>
	£	£
Current service cost	13,000	13,000
Past service cost	-	6,000
Interest income	(2,000)	(3,000)
Interest cost	5,000	7,000
Total amount recognised in the Consolidated statement of financial activities	<u>16,000</u>	<u>23,000</u>

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29. Pension commitments (continued)

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

	2021 £	2020 £
Opening defined benefit obligation	202,000	261,000
Contributions by scheme participants	2,000	2,000
Current service cost	13,000	13,000
Interest cost	5,000	7,000
Past service costs	-	6,000
Actuarial (gains) / losses	82,000	(87,000)
Closing defined benefit obligation	304,000	202,000

Movements in the fair value of the Group's share of scheme assets were as follows:

	2021 £	2020 £
Opening fair value of scheme assets	99,000	103,000
Expected return on assets	2,000	4,000
Contributions by scheme participants	2,000	2,000
Contributions by employer	14,000	7,000
Actuarial gains / (losses)	22,000	(14,000)
Adjustment to prior year by actuary	-	(3,000)
Closing fair value of scheme assets	139,000	99,000

30. Operating lease commitments

At 31 March 2021 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Not later than 1 year	1,016,294	742,779	823,492	742,779
Later than 1 year and not later than 5 years	2,385,225	1,942,862	1,941,147	1,942,862
Later than 5 years	819,445	533,012	746,745	533,012
	4,220,964	3,218,653	3,511,384	3,218,653

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31. Related party transactions

The Group has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the Group at 31 March 2021.