

HUMAN CAPABILITY FOUNDATION

England & Wales · Charity number 1145084

Details

Status	Registered
Legal form	Charitable company
Company number	07715471
Registered	2011-12-15
Register	View on the Charity Commission register

Contact

Address	NATCO CASH & CARRY Silverdale Industrial Estate Silverdale Road Hayes UB3 3BL
Phone	07531098972
Email	info@humancapabilityfoundation.com
Website	www.humancapabilityfoundation.com

Activities

Objects: THE CHARITY'S OBJECTS ("OBJECTS") ARE TO PROMOTE SUCH PURPOSES AS ARE EXCLUSIVELY CHARITABLE IN ACCORDANCE WITH THE LAWS OF ENGLAND AND WALES AS THE TRUSTEES MAY FROM TIME TO TIME DETERMINE.

Activities: HCF is a grant-making charity that makes grants to organisations predominantly in India.

Classification

- **How:** Makes Grants To Organisations
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, The Prevention Or Relief Of Poverty, Overseas Aid/famine Relief, Environment/conservation/heritage, Human Rights/religious Or Racial Harmony/equality Or Diversity
- **Who:** Other Charities Or Voluntary Bodies

Geography

- India
- Senegal
- Throughout London

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£44,453,782	£31,079,515	£95,261,466	0
2023-12-31	£36,398,755	£29,882,087	£83,534,113	0
2022-12-31	£56,929,434	£25,456,054	£71,886,641	0
2021-12-31	£29,781,388	£21,979,614	£40,561,298	0
2020-12-31	£2,012,607	£1,240,780	£32,746,065	0

Trustees

Name	Role	Appointed
DAVINDER PAGARANI		2011-12-15
LUKE PAGARANI		2011-12-15
NATASHA PAGARANI		2011-12-15

Accounts

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

HUMAN CAPABILITY FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

Berringers LLP
Chartered Accountants
and Statutory Auditors
Lygon House
50 London Road
Bromley
Kent
BR1 3RA

HUMAN CAPABILITY FOUNDATION

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Explanatory notes to the consolidated financial statements

HUMAN CAPABILITY FOUNDATION

REPORT OF THE TRUSTEES for the year ended 31 December 2024

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the audited consolidated financial statements of the charity for the year ended 31 December 2024. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

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

- Women & girls' rights and gender equity
- Sexual and reproductive health rights
- Rights of economically and socially marginalised people
- Mental health and disability rights
- Labour and migration rights
- Environmental protection and climate change mitigation
- Arts and Cultural Expression

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

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

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

The short-term aims of the HCF are to continue supporting organisations and identify new organisations who are working at the grassroots level in the most marginalised communities. The HCF wishes to remain an agile organisation that can respond quickly to emerging needs and requirements. Our medium-term aim is to ensure that we provide space for our grantees to innovate within their work, trying new initiatives and ideas. A long-term goal is to significantly increase our annual level of funding to capable organisations. This will increase the capabilities, rights and quality of life for communities that we seek to help.

Public benefit

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

Going concern

After reviewing the group's forecasts and projections, the trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

HUMAN CAPABILITY FOUNDATION

REPORT OF THE TRUSTEES for the year ended 31 December 2024

STRATEGIC REPORT

Achievement and performance

Charitable activities

This year HCF have continued to support a significant number of NGOs, with grants approved during the year totalling £1,947,029 (2023: £1,618,519). The grants have been distributed in accordance with the charitable objectives as below:

	2024	2023
	£	£
- Women and girls' rights and empowerment	386,803	77,624
- Sexual and reproductive health rights	154,040	149,140
- Gender equality	27,538	29,801
- Rights of economically and socially marginalised groups	14,109	14,076
- Mental health and disability rights	258,469	304,232
- Labour & migration rights	169,265	124,143
- Environmental protection and climate change mitigation	307,392	381,885
- Youth education	478,339	328,622
- Arts & cultural expression	151,074	152,831
- Media & journalism	-	56,165
	<u>1,947,029</u>	<u>1,618,519</u>

For the large part, the HCF does not take unsolicited applications. The HCF invites and commissions proposals. In the future we envisage having calls for proposals in order to broaden our grantee base. The HCF will fund a grantee organisation's core running costs, as well as project-specific costs. This is in line with the charity's objective to support a healthy civic society where charities and NGOs can sustain their work and undertake activities that will best serve their goals. Grantees do not need to be a registered charity but the activities and aims of the organisation must be legally charitable.

The HCF supports organisations of varying sizes. Trustees are keen to help grassroots, small-to-medium-sized organisations, and we employ various strategies to encourage this. The HCF also funds larger organisations that are using scale to further their aims. The trustees also recognise when there is a need to fund other donors who have funding networks and expertise in areas where the HCF is unable to fund. In these cases, the HCF is careful to only fund donors whose values align with the HCF and which keep their operating and administrative costs low, in order to maximise the funds that reach the intended beneficiaries. HCF is flexible on the size of the grant, and is willing to fund small amounts, around £1,000 in order to support smaller organisations. For first-time grantees the upper limit is usually £100,000 for a 12-month grant.

The HCF increased its grant expenditure in 2024, which is an on-going aim. We identified new grantees who received initial funding in 2024. HCF continued its support to the majority of the organisations we had supported in the previous year. We have increased our internal capacity in order to achieve our long-term goal of increasing our grant expenditure.

One of our aims has been to provide space for grantees to innovate within their work. To this end, the Dream Project Fund has been a success. The initial funds were released in 2023, and the second year of funding was provided in 2024. We also did a new call for proposals in 2024 to start a new batch of grantees. We have been documenting progress on this project to share with other donors in order to advocate this exciting approach. We have made some short films about the work undertaken by the grantees as we feel that the video format will be most engaging.

The HCF conducted 21 site visits to grantees, 9 meetings with other donors, as well as undertaking a scoping trip to Nepal. We hosted meetings for our grantees which are designed to foster learning, cooperation and inspiration. These workshops further our aims of supporting a healthy civic society, strengthening local organisations, sharing knowledge so that our grantees' work will improve. As well as this, we also hosted a meeting of donors in India. This will inform our work and see how we can be more strategic at a higher level.

Our grantees have largely been able to undertake their planned activities. We are happy to be inviting grant proposals in people's local languages and funding the cost of translations into English so that we can reach grantees that have previously missed out on funding from other donors because of a lack of fluency in English. This fits with our aim of reaching marginalised communities.

HUMAN CAPABILITY FOUNDATION

REPORT OF THE TRUSTEES for the year ended 31 December 2024

STRATEGIC REPORT

Achievement and performance

Financial Review

Total grants approved by the foundation in 2024 were £1,947,029 (2023: £1,618,519). Total donations received by the Charity in 2024 amounted to £13,055,884 (2023: £3,856,867).

The trustees believe that the valuation of the investment properties as at 31 December 2024 are not materially different to their market values. The trustees are not qualified surveyors but believe that this valuation method represents a sufficiently accurate estimation without the need to spend any of the charity's funds on professional valuations. During the year rental income received from the properties owned by HCF amounted to £1,253,556 (2023: £1,235,579). These properties provide on-going monthly sources of income from the rent.

The HCF holds reserves because we plan to be a long-term funder providing small and medium-sized grants to organisations. At the year-end total group reserves held were £95,261,466 (2023: £82,358,481 as restated). We hold reserves to ensure that we can commit to multi-year funding for grantees.

Through its trading subsidiary Downing Sustainable Investment I Ltd (DSII), we invested £7,346,000 in renewable energy projects. We have judged that a renewable energy portfolio is in line with our charity's ethics as the funds are used to create green energy resources. HCF is able to secure a high return/risk ratio on its renewable energy investments due to the institutional expertise it has developed through several years of work in the sector. A high proportion of the income from these investments derives from feed-in-tariffs which are UK government-backed, and therefore pose a very low credit risk. A high proportion of the future income is also linked to inflation indices, which protects the real value of our reserves from being eroded by inflation. These investments are designed to provide a flow of income throughout their life rather than simply capital appreciation, which makes them suitable for supporting a future stream of grant-making expenditure. DSII is managed by HCF and Downing LLP. At the end of the year, operations within DSII are proceeding as planned. At the date of finalising these accounts in September 2025, we are continuing to examine potential new investments in renewable energy.

DSII has the following subsidiaries:

Scots Wind Property Ltd: this is the direct subsidiary of Downing Sustainable Investment I Limited and is the holding company incorporated for executing the investments in wind energy. The company is engaged in holding functions only and has no operational activities.

Sustainable Land Acquisitions Ltd: this is a direct subsidiary of Scots Wind Property Ltd. It is the acquisition company, which acquired the operating company Stronelaig Wind Estate Ltd, which owns the wind energy asset. Sustainable Land Acquisitions Ltd is the borrower of financial debt against financial institutions, whose project finance debt has been used to fund the acquisition of Stronelaig Wind Estate.

Homer Renewables Ltd: this is a direct subsidiary of Downing Sustainable Investment I Ltd, which was incorporated in August 2024 as the holding company for the acquisition of six companies (AMP HA001 Ltd, AMP HA004 Ltd, AMP HA005 Ltd, AMP HA006 Ltd, AMP HA008 Ltd and AMP HA010 Ltd) holding solar panels as energy generating assets.

In December 2024, HCF invested \$650,000 USD in the equity of Nithio Holdings Inc., which adds to its May 2023 investment of \$2,181,224 USD in that company. Nithio is a fintech start-up that analyses credit risk to increase funding of distributed renewable energy in Africa, to combat climate change and universalise access to electricity. This investment is designed to support the UN sustainable Development Goals, as well as to provide a financial return.

HCF's trading subsidiary, Trigon Snacks Trading Ltd, a nut-roasting business, made a net loss of £891,951 in 2024 (2023: £701,285 loss) due to delays in passing on increased raw material and overhead costs to its customers. A further, albeit significantly smaller, loss is forecast for 2025, followed by a return to break-even in 2026. The share capital of Trigon Snacks Trading Ltd was donated to the charity in 2018 and 2020, in order for the charity to have a source of future revenue.

HCF's assets include loans to related parties (its direct subsidiary Trigon Snacks Trading Ltd, as well as Nateo Foods Ltd and T. Choithram & Sons (London) Ltd). These loans were assigned to HCF as donations by the original lender. HCF was not involved in the lending process itself. After receiving the benefit of the loans, HCF has assessed the credit-worthiness of the debtors and found it satisfactory.

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

HUMAN CAPABILITY FOUNDATION

REPORT OF THE TRUSTEES for the year ended 31 December 2024

STRATEGIC REPORT

Achievement and performance

HCF Reserves Policy

Although it is 13 years old, the charity is still in the first stage in its planned evolution. The trustees intend for the charity to be able to support long term projects consistently for the duration of gradual processes of structural change over 30-40 years. The charity does not have any public fund-raising activities and is reliant on a small number of private donors whose ability to donate in the future is not guaranteed.

Developing and expanding our grant-making systems is a gradual process in which our working relationships with grantees accumulate. Our grants expenditure has increased significantly and will continue to increase over the lifetime of the charity. Our income from donations is likely to be higher in the first phase of its evolution before declining when our small pool of private donors has depleted. Therefore, it is prudent for the charity to hold reserves in a variety of lower-risk investments to generate future income for the charity.

It is intended that in the later stages of the charity's lifecycle, the expenditure will be higher than the income.

Future plans

In 2025 we will be continuing to fund within our focus areas.

Planned activities for 2025 beyond our regular grant-making activities:

- Increase grant expenditure by increasing the number of grantees
- Increased site visits to grantees
- Provide more Compliance Strengthening Support to grantees

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

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

Luke Pagarani
Davinder Pagarani
Natasha Pagarani

The trustees are also company directors. Under the requirements of the Memorandum and Articles of Association, the directors retire on an annual basis and, being eligible, offer themselves for re-election. Natasha Pagarani is the Foundation's Secretary and the three trustees jointly manage the Foundation, meeting informally on a regular basis to discuss grants, funding and other activities.

In 2024, HCF received £11,555,883 (2023: £nil) from Choithram Internal Foundation, an entity with trustees/directors in common. £2,440,245 (2023: £5,100,461) was received from its wholly owned subsidiary Stronelairg Wind Estate Ltd. £700,000 (2023: £320,000) was received from Giant Export Services Ltd and £nil (2023: £1,600,000) was received from Natco Foods Ltd. In addition, the charity received two properties as donation from Kamakshi Inc (£350,000) and Kistar Global Ltd (£450,000).

T. Choithram & Sons (London) Ltd is the parent company of Natco Foods Limited, of which Luke Pagarani is Managing Director, Natasha Pagarani is also employed and Davinder Pagarani is engaged as a consultant. Natco Foods Limited is a company based in the UK whose core business is the sourcing, processing and selling of foods from around the world to consumers primarily in the UK. It is the intention of T.Choithram & Sons (London) Ltd and its subsidiaries to continue financial support of the HCF indefinitely.

HUMAN CAPABILITY FOUNDATION

REPORT OF THE TRUSTEES for the year ended 31 December 2024

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
07715471 (England and Wales)

Registered Charity number
1145084

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

Trustees
Miss N Pagarani
L Pagarani
D Pagarani

Company Secretary
Miss N Pagarani

Auditors
Berringers LLP
Chartered Accountants
and Statutory Auditors
Lygon House
50 London Road
Bromley
Kent
BR1 3RA

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HUMAN CAPABILITY FOUNDATION

REPORT OF THE TRUSTEES
for the year ended 31 December 2024

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Berringers LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a Strategic report, approved by order of the board of trustees, as the company directors, on 29/9/2025 and signed on the board's behalf by:


.....
Miss N Pagarah, Trustee

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

Opinion

We have audited the consolidated financial statements of Human Capability Foundation (the parent 'charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Consolidated cash flow statement and notes to the consolidated financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2024 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 consolidated 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the consolidated financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Report of the independent auditors thereon.

Our opinion on the consolidated 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 consolidated 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the trustees for the financial year for which the consolidated financial statements are prepared is consistent with the financial statements; and
- the Report of the trustees has been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the trustees.

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

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

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and error, we considered the following:

- the nature of the industry, control environment and business performance;
- results of our enquiries to management about their own assessment of the risks of fraud and error;
- the matters discussed among the audit engagement team regarding how and where fraud may occur in the financial statements and any potential indicators of fraud.

Our procedures to respond to risk include the following:

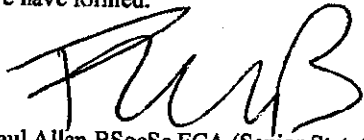
- reviewing the financial statement disclosures and testing to supporting documentation;
- performing analytical procedures to identify any unusual or unexpected areas that may indicate risks of material misstatement due to fraud or error;
- addressing the risk of fraud and error through management override of controls, testing the appropriateness of journals, assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

Use of our report

This report is made solely to the parent 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 parent 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 parent charitable company and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Allan BSocSc FCA (Senior Statutory Auditor)
for and on behalf of Berringers LLP
Chartered Accountants
and Statutory Auditors
Lygon House
50 London Road
Bromley
Kent
BR1 3RA

Date: 29/9/2025

HUMAN CAPABILITY FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) for the year ended 31 December 2024

		2024	2023
		Unrestricted fund	<i>As restated</i> Unrestricted fund
	Notes	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	3	13,055,883	3,856,867
Other trading activities			
Commercial trading operations	4	27,351,892	27,634,429
Investment income	5	4,046,007	3,560,475
Total		44,453,782	35,051,771
EXPENDITURE ON			
Costs of raising funds			
Commercial trading operations	4	28,577,046	27,591,367
Charitable activities			
Grants	6	1,947,029	1,618,519
Other	8	555,440	500,849
Total		31,079,515	29,710,735
Net gains/(losses) on investments			
Unrealised gains/(losses) on fixed asset investments	15	(477,656)	(666,501)
Unrealised gains/(losses) on investment property	16	-	5,660,000
Realised gains/(losses) on fixed asset investments	15	6,374	(138,386)
Realised gains/(losses) on investment property	16	-	275,691
NET INCOME		12,902,985	10,471,840
NET MOVEMENT IN FUNDS		12,902,985	10,471,840
RECONCILIATION OF FUNDS			
Total funds brought forward as previously reported	24	83,534,113	71,886,641
Prior year adjustment	25	(1,175,632)	-
TOTAL FUNDS CARRIED FORWARD		95,261,466	82,358,481

The consolidated statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure has arisen from continuing activities of the group.
The notes to the accounts are shown on pages 14 to 31.

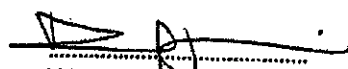
The notes form part of these financial statements

HUMAN CAPABILITY FOUNDATION

CONSOLIDATED BALANCE SHEET 31 December 2024

	Notes	Group		Charity	
		2024	2023	2024	2023
		Unrestricted fund £	<i>As restated</i> Unrestricted fund £	Unrestricted fund £	Unrestricted fund £
FIXED ASSETS					
Intangible assets					
Goodwill	13	49,100,322	50,334,930	-	-
Tangible assets					
Tangible assets	14	6,993,414	2,364,835	236,325	277,281
Investments					
Investments	15	5,161,882	4,664,150	44,698,447	43,966,481
Investment property	16	27,640,000	26,840,000	27,640,000	26,840,000
		88,895,618	84,203,915	72,574,772	71,083,762
CURRENT ASSETS					
Debtors: amounts falling due within one year	17	8,137,385	6,904,318	1,254,061	477,804
Debtors: amounts falling due after more than one year	18	35,624,893	33,026,172	40,290,399	34,095,362
Stocks	20	4,152,710	2,509,879	-	-
Investments	19	-	2,400,000	-	2,400,000
Cash at bank		2,923,689	5,665,422	1,325,571	4,094,595
		50,838,677	50,505,791	42,870,031	41,067,761
CREDITORS					
Amounts falling due within one year	21	(13,400,799)	(21,572,361)	(6,731,963)	(21,961,557)
NET CURRENT ASSETS		37,437,878	28,933,430	36,138,068	19,106,204
TOTAL ASSETS LESS CURRENT LIABILITIES		126,333,496	113,137,345	108,712,840	90,189,966
CREDITORS					
Amounts falling due in more than one year	22	(31,072,030)	(30,778,864)	-	-
NET ASSETS		95,261,466	82,358,481	108,712,840	90,189,966
FUNDS	24				
Unrestricted funds		95,261,466	83,705,465	108,712,840	90,189,966
TOTAL FUNDS		95,261,466	82,358,481	108,712,840	90,189,966

The financial statements were approved by the Board of Trustees and authorised for issue on 29/9/2025 and were signed on its behalf by:


N Pagarani, Trustee

The notes form part of these financial statements

HUMAN CAPABILITY FOUNDATION
CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2024

		2024	2023
	Notes	£	<i>Restated</i> £
Cash flows from operating activities			
Cash generated from operations	1	(3,250,414)	3,679,173
Interest paid		<u>(2,258,935)</u>	<u>(403,057)</u>
Net cash (used in)/provided by operating activities		<u>(5,509,349)</u>	<u>3,276,116</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		(185,910)	(354,661)
Sale of tangible fixed assets		10,000	-
Sale of investment property		-	935,691
Sale of investments		16,228	7,233,841
Purchase of fixed asset investments		(1,388,005)	(55,637,019)
Net cash on acquisition		767,144	-
Rents and other income from investments		1,097,611	1,067,516
(Purchase)/sale of current asset investments		2,400,000	(2,400,000)
Interest received		2,713,799	2,324,915
Dividends received		<u>234,597</u>	<u>168,044</u>
Net cash used in investing activities		<u>5,665,464</u>	<u>(46,661,673)</u>
 Cash flows from financing activities			
New loans in year		4,000,000	42,336,669
Loan repayments in year		<u>(6,897,848)</u>	<u>-</u>
Net cash provided by financing activities		<u>(2,897,848)</u>	<u>42,336,669</u>
 Change in cash and cash equivalents in the reporting period		<u>(2,741,733)</u>	<u>(1,048,888)</u>
 Cash and cash equivalents at the beginning of the reporting period		<u>5,665,422</u>	<u>6,714,310</u>
 Cash and cash equivalents at the end of the reporting period		<u><u>2,923,689</u></u>	<u><u>5,665,422</u></u>

The notes form part of these financial statements

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 December 2024

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

	2024	2023
	£	<i>Restated</i> £
Net income for the reporting period (as per the Statement of financial activities)	12,902,985	10,471,840
Adjustments for:		
Depreciation charges	446,476	385,852
Amortisation of goodwill	2,212,256	545,256
Finance costs	2,258,935	403,057
Interest received	(2,713,799)	(2,324,915)
Dividends received	(234,597)	(168,044)
Rent and other income from investments	(1,097,611)	(1,067,516)
Donated assets	(12,355,883)	(1,927,376)
Losses/(gains) on investments	471,282	(4,855,113)
(Gains) on sale of investment property	-	(275,691)
(Gain)/loss on foreign exchange	(83,697)	305,662
(Increase)/Decrease in stocks	(1,642,831)	349,759
(Increase) in debtors	(3,333,707)	(257,852)
(Decrease)/Increase in creditors	(80,223)	2,094,254
Net cash (used in)/provided by operations	<u>(3,250,414)</u>	<u>3,679,173</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.24	Cash flow	At 31.12.24
	£	£	£
Net cash			
Cash at bank	<u>5,665,422</u>	<u>(2,741,733)</u>	<u>2,923,689</u>
	<u>5,665,422</u>	<u>(2,741,733)</u>	<u>2,923,689</u>
Liquid resources			
Current assets investments	<u>2,400,000</u>	<u>(2,400,000)</u>	<u>-</u>
	<u>8,065,422</u>	<u>(5,141,733)</u>	<u>2,923,689</u>

The notes form part of these financial statements

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2024

1. STATUTORY INFORMATION

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the parent charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets. The presentational currency of the group financial statements is the Pound Sterling (£).

Preparation of the accounts on a going concern basis

After reviewing the group's forecasts and projections, the trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

Consolidated financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiaries (detailed in note 15) on a line-by-line basis. Subsidiaries are fully consolidated from the date on which control is transferred to the group. Prior to this, Trigon Snacks Trading Ltd was accounted for as an associate. Associates are all entities over which the group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting.

A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by Companies Act 2006, s. 408.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates.

The trustees and directors have made assumptions regarding the recoverability of trade debtors and have provided accordingly in the subsidiary financial statements.

Stock valuation is reviewed at the end of the year, and key assumptions are made in relation to net realisable values and obsolete or slow-moving stocks. Where necessary the directors include a provision against the stock value for Trigon Snacks Trading Ltd.

The trustees consider the useful economic life of fixed assets and estimate depreciation accordingly. Depreciation rates are noted in the accounting policies and the depreciation totals for the year are included in note 14.

For the subsidiary company, Stronelairg Wind Estate Ltd, wind farm rental income is based on the level of energy generated. Previously, the final statement has not been available until after the financial statements have been approved, therefore the amount accrued has been based on an estimate. This year, the final statement and invoice have been made available and the accrual of £1.3m for the variable rent has been based on actuals. (2023: £1.3m estimate restated) The only significant estimate now relates to the ROC Recycle income of £122,281, which has been based on interim energy generation report and applying energy auction prices (www.nordpoolgroup.com).

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. The following specific policies are applied to particular categories of income:

The notes form part of these financial statements

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2024

2. ACCOUNTING POLICIES - continued

- Income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

- Rental income from investment property and leased out assets are recognised when receipt is probable and entitlement is established. Solar electricity income relates to electricity generated by solar panels owned by HCF and sold to related parties per note 26. All income for the year excludes VAT.

- Other trading activities relate to the realised sale of food products and consumer goods donated by related parties at nil cost as per note 26. No VAT is charged on these products and minimal levels of stock are held at the year end.

Commercial trading income is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Turnover is derived from the sale of goods and is recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer, the price is determinable and the collection of the amount due is reasonably assured.

Expenditure

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

Grants

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

Other Expenditure

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

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

Within the subsidiary companies depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Plant and machinery	- 15 - 25% on net book value
Fixtures and fittings	- 15 - 25% on net book value
Office equipment	- 25% of the net book value
Solar panels	- 5% of cost

Depreciation has not been provided for on Land and Buildings. This relates wholly to land, for which no depreciation is provided. Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Goodwill

Goodwill, being the amounts paid in connection with the purchase of Stronelairg Wind Estate Ltd by Sustainable Land Acquisitions Ltd and the solar panel companies by Homer Renewables Ltd. Goodwill in Sustainable Land Acquisitions Ltd is amortised evenly over the term of the lease acquired as part of the acquisition, 24 years. Goodwill in Homer Renewables Ltd is amortised over the remaining terms of the leases, 20 years.

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

The notes form part of these financial statements

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2024

2. ACCOUNTING POLICIES - continued

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

The trustees and directors have reviewed the carrying value of the tangible fixed assets and no impairment is deemed necessary.

Bank Charges

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

Allocation and apportionment of costs

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

Investment property

Investment properties include donated properties at fair value and are shown at most recent valuation. Any aggregate surplus or deficit arising from changes in valuation is recognised in the Statement of financial activities.

Taxation

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

In the subsidiary company current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- the group is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised. Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference. With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the company has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

The notes form part of these financial statements

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2024

2. ACCOUNTING POLICIES - continued

The lease for the windfarm held in Stronelairg Wind Estate Ltd is treated as an operating lease. The total rental income is based on the level of energy generation. While the rate paid for generated income increases later in the lease, due to the many external factors that can impact energy generation it is not possible to accurately predict the level of income in future years. As a result this rental income is recognised in the period to which the income relates. The base rent element is allocated to the period to which it relates and then allocated to months within this period on a straight line basis.

Fund accounting

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

There are no restricted funds.

Current asset investments

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

In 2023 HCF invested in a renewable energy bond, that is in line with the charities ethics and objective of supporting worthy causes. The bond matured in 2024.

Fixed asset investments

HCF currently holds investments in Downing Renewables & Infrastructure Trust PLC (DORE) which is in line with the charities ethics as it is designed to deliver stable and sustainable returns by investing in a diversified portfolio of hydro, solar, wind and other infrastructure assets. HCF increased its investment in DORE, and invested in Next Energy Solar Fund Ltd, Triple Point Energy Transition Plc and Aquila Energy Efficiency Trust.

Additionally, in 2023 HCF invested in a US Fintech start up, Nithio Holdings Inc, that analyses credit risk to increase funding of distributed renewable energy in Africa.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is calculated as follows:-

Raw materials - Cost of purchase on first in, first out basis.

Work in progress and finished goods - Cost of raw materials and labour together with attributable overheads.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

The company provides for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

Derivative financial instruments

Derivative financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in profit or loss. Outstanding derivatives at reporting date are included under the appropriate format heading depending on the nature of the derivative.

The notes form part of these financial statements

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2024

3. DONATIONS AND LEGACIES

	Group		Charity	
	2024	2023	2024	2023
		<i>Restated</i>		
	£	£	£	£
Donations	<u>13,055,884</u>	<u>3,856,867</u>	<u>15,496,129</u>	<u>8,957,328</u>

4. OTHER TRADING ACTIVITIES

	Trigon Snacks Trading Ltd Year ended 31 December 2024	Downing Sustainable Investment I Ltd Year ended 31 December 2024 <i>Restated</i>	Scots Wind Property Ltd (Consolidated) Year ended 31 December 2024 <i>Restated</i>	Homer Renewables Ltd (Consolidated) Period ended 31 December 2024
	£	£	£	£
Turnover	23,270,015	49,809	3,825,396	197,499
Company expenditure	23,881,949	234,223	6,162,995	170,720
Profit for the period	(611,934)	(184,414)	(2,337,599)	26,779
Income from fixed asset investments	-	102,919	15,968	-
Interest payable and similar expenses	280,017	-	2,117,357	-
Gain/(loss) on revaluation of investments	-	(234,234)	-	-
(Loss)/profit for the financial year	<u>(891,951)</u>	<u>(315,729)</u>	<u>(4,438,988)</u>	<u>26,779</u>

The consolidated financial statements include the results of the below group undertakings; Trigon Snacks Trading Ltd, which became a subsidiary on 31 December 2020 when the remaining 90% of the share capital was donated to the charity, Downing Sustainable Investment I Ltd, which was set up in April 2022, with HCF being 100% shareholder and Scots Wind Property Ltd, a subsidiary set up in July 2023, with DSII being 100% shareholder, which incorporates its two wholly owned subsidiaries; Sustainable Land Acquisitions Ltd and Stronelaig Wind Estate Ltd, Homer Renewables Ltd, which was incorporated in August 2024, and acquired the share capital of six subsidiaries in October 2024 (shown below consolidated).

The figures above detail the amounts per the individual company financial statements. The income and expenditure is adjusted upon consolidation due to the elimination of the corporate gift aid amount, intercompany loan interest and rental income.

5. INVESTMENT INCOME

	Group		Charity	
	2024	2023	2024	2023
		<i>Restated</i>		
	£	£	£	£
Rents received	1,048,556	1,030,579	1,253,556	1,235,579
Solar electricity income	49,055	36,937	49,055	36,937
Other fixed asset invest - FII	234,597	168,044	131,678	72,819
Deposit account interest	19,366	57,027	3,398	43,529
Loan interest	2,567,940	2,242,146	2,844,256	2,316,027
Bond interest	<u>126,493</u>	<u>25,742</u>	<u>126,493</u>	<u>25,742</u>
	<u>4,046,007</u>	<u>3,560,475</u>	<u>4,408,436</u>	<u>3,730,633</u>

The notes form part of these financial statements

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2024

6. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (see note 7) £
Grants (see note 29)	<u>1,947,029</u>

7. GRANTS PAYABLE

	2024 £	2023 £
Grants	<u>1,947,029</u>	<u>1,618,519</u>

8. SUPPORT COSTS

	Finance £	Other £	Totals £
Other resources expended	<u>(83,697)</u>	<u>639,137</u>	<u>555,440</u>

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

Cost type	2024 £	2023 £
Finance		
Foreign exchange losses	(83,697)	305,662
Other		
Rates & water	-	-
Insurance	-	280
Light & heat	-	43
Website costs	1,217	864
Audit and accountancy	17,700	15,700
Legal and professional fees	2,487	9,887
Bank charges	621	765
Consultancy & management fees	238,003	126,692
Travel & subsistence	16,714	-
Bad debts	258,316	-
Interest paid	63,123	-
Depreciation	<u>40,956</u>	<u>40,956</u>
	<u>639,137</u>	<u>195,187</u>

Depreciation charges in the parent charity of £40,956 (2023: £40,956) are included in other resources expended.

	2024 £	2023 £
Fees payable to the Charity's auditors for the audit of the financial statements	<u>8,850</u>	<u>7,850</u>
	2024 £	2023 £
Depreciation - owned assets	<u>446,476</u>	<u>385,852</u>

The notes form part of these financial statements

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2024

9. NET INCOME/(EXPENDITURE)

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

	2024	2023
	£	£
Auditors remuneration - parent charity	8,850	8,850
Depreciation - owned assets - parent charity	40,956	40,956
Expenditure charged in subsidiary companies:		
Depreciation - owned assets	405,520	344,896
Profit on disposal of fixed assets	(10,000)	-
Amortisation of goodwill	2,212,256	545,256
Auditors' remuneration - audit services	22,236	16,438
Auditors' remuneration - non-audit services	22,236	16,438
Operating lease rentals - plant & machinery	382	382
Stock recognised as an expense during the year	19,299,066	21,998,681
	<u>22,001,502</u>	<u>22,971,896</u>

10. EMPLOYEES AND DIRECTORS

	2024	2023
	£	£
Wages and salaries	3,496,773	3,431,152
Social security costs	293,506	275,139
Other pensions costs	100,156	101,697
	<u>3,890,435</u>	<u>3,807,988</u>
	2024	2023
	£	£
Directors' remuneration	-	-
	<u>-</u>	<u>-</u>

Staff costs relates to employees and directors of the trading subsidiary.

The average number of employees during the year was as follows:

	2024	2023
Production	114	118
Warehouse	7	7
Sales & administration	23	27
	<u>144</u>	<u>152</u>

Average number of employees relates to employees of the trading subsidiary.

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2024 nor for the year ended 31 December 2023.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2024 nor for the year ended 31 December 2023.

The notes form part of these financial statements

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2024

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Total funds £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	3,856,867
Other trading activities	
Commercial trading operations	27,634,429
Investment income	3,560,475
Total	<u>35,051,771</u>
EXPENDITURE ON	
Costs of raising funds	
Commercial trading operations	27,591,367
Charitable activities	
Grants	1,618,519
Other	500,849
Total	<u>29,710,735</u>
Unrealised gains/(losses) on fixed asset investments	(666,501)
Unrealised gains/(losses) on investment property	5,660,000
Realised gains/(losses) on fixed asset investments	(138,386)
Realised gains/(losses) on investment property	275,691
NET INCOME	10,471,840
RECONCILIATION OF FUNDS	
Total funds brought forward	71,886,641
TOTAL FUNDS CARRIED FORWARD	<u><u>82,358,481</u></u>

13. INTANGIBLE FIXED ASSETS

GROUP	Goodwill
	<i>Restated</i>
COST	£
At 1 January 2024	50,882,049
Additions	977,648
At 31 December 2024	<u>51,859,697</u>
DEPRECIATION	
At 1 January 2024	547,119
Charge for year	2,212,256
At 31 December 2024	<u>2,759,375</u>
NET BOOK VALUE	
At 31 December 2024	<u>49,100,322</u>
At 31 December 2023	<u>50,334,930</u>

The notes form part of these financial statements

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2024

13. INTANGIBLE FIXED ASSETS (continued)

The goodwill relates to the acquisition of Stronelaig Wind Estate Ltd in September 2023 by the subsidiary company, Sustainable Land Acquisitions Ltd, and to the acquisition of the solar panel companies (AMP HA001 Ltd, Amp HA004 Ltd, AMP HA005 Ltd, AMP HA006 Ltd, AMP HA008 Ltd and AMP HA010 Ltd) by Homer Renewables Ltd in October 2024.

Stronelaig Wind Estate was acquired for £53,672,731 (as restated). At the date of acquisition the net assets of the company were £3,022,705, resulting in goodwill of £50,650,026. The goodwill relates to the value of a lease that was acquired as part of the purchase of the company. The company owns land, subject to a lease relating to a windfarm, which is treated in the individual accounts as an operating lease. The goodwill represents the value of the lease over the remaining term of 24 years, and as such, the goodwill has been amortised on this basis.

The solar panel companies were acquired by Homer Renewables for the share capital of £600, plus the additional costs of acquisition £402,163. At the date of acquisition the net liabilities of the company were £806,907, resulting in goodwill of £1,209,670. The company owns solar panels on properties across the UK, which generate electricity for re-sale. The goodwill is amortised over the length remaining on the leases of 20 years.

14. TANGIBLE FIXED ASSETS

GROUP

	Freehold Property	Plant & Machinery	Fixtures & Fittings	Motor Vehicles	Office Equipment	Totals
	£	£	£	£	£	£
COST						
At 1 January 2024	7,542	4,714,578	354,065	16,495	144,743	5,237,423
Additions	-	175,634	2,036	-	8,240	185,910
Assets acquired	-	9,301,085	-	-	-	9,301,085
Disposals	-	-	-	(16,495)	-	(16,495)
At 31 December 2024	7,542	14,191,297	356,101	-	152,983	14,707,923
DEPRECIATION						
At 1 January 2024	-	2,533,706	219,721	13,743	105,418	2,872,588
On acquired assets	-	4,411,940	-	-	-	4,411,940
Charge for year	-	412,361	20,457	2,752	10,906	446,476
Eliminated on disposal	-	-	-	(16,495)	-	(16,495)
At 31 December 2024	-	7,358,007	240,178	-	116,324	7,714,509
NET BOOK VALUE						
At 31 December 2024	7,542	6,833,290	115,923	-	36,659	6,993,414
At 31 December 2023	7,542	2,180,872	134,344	2,752	39,325	2,364,835

The notes form part of these financial statements

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2024

14. TANGIBLE FIXED ASSETS (continued)

CHARITY

	Plant & Machinery £
COST	
At 1 January 2024 and 31 December 2024	<u>530,395</u>
DEPRECIATION	
At 1 January 2024	253,114
Charge for year	<u>40,956</u>
At 31 December 2024	<u>294,070</u>
NET BOOK VALUE	
At 31 December 2024	<u>236,325</u>
At 31 December 2023	<u>277,281</u>

15. FIXED ASSET INVESTMENTS

GROUP	Listed investments £	Unlisted investments £	Totals £
MARKET VALUE			
At 1 January 2024	2,907,928	1,756,222	4,664,150
Additions	470,594	514,648	985,242
Disposals	(9,854)	-	(9,854)
Revaluations	(477,656)	-	(477,656)
At 31 December 2024	<u>2,891,012</u>	<u>2,270,870</u>	<u>5,161,882</u>
NET BOOK VALUE			
At 31 December 2024	<u>2,891,012</u>	<u>2,270,870</u>	<u>5,161,882</u>
At 31 December 2023	<u>2,907,928</u>	<u>1,756,222</u>	<u>4,664,150</u>
CHARITY			
	Listed investments £	Unlisted investments £	Totals £
MARKET VALUE			
At 1 January 2024	1,286,305	42,680,176	43,966,481
Additions	470,594	514,648	985,242
Disposals	(9,854)	-	(9,854)
Revaluations	(243,422)	-	(243,422)
At 31 December 2024	<u>1,503,623</u>	<u>43,194,824</u>	<u>44,698,447</u>
NET BOOK VALUE			
At 31 December 2024	<u>1,503,623</u>	<u>43,194,824</u>	<u>44,698,447</u>
At 31 December 2023	<u>1,286,305</u>	<u>42,680,176</u>	<u>43,966,481</u>

The notes form part of these financial statements

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2024

15. FIXED ASSET INVESTMENTS - continued

Unlisted investments includes £2,270,870 (2023: £1,756,222) in Nithio Holdings Inc, a US fintech startup that analyses credit risk to increase funding of distributed renewable energy in Africa.

Of the group's listed investment holding, the following investments make up greater than 5% of the group's total holding at the balance sheet date:

- Downing Renewables & Infrastructure Trust Plc 91%

Included in unlisted investments is an investment of £36,883,713 in Downing Sustainable Investment I Ltd (DSII), a wholly owned subsidiary of HCF. £2,618,316 of share capital in DSII remains unpaid as at 31 December 2024. DSII has wholly owned subsidiary; Scots Wind Property Ltd, Sustainable Land Acquisitions Ltd and Stronelaig Wind Estate Ltd. During the year, DSII also established a new subsidiary, Homer Renewables Ltd, which acquired six companies holding solar energy assets (as detailed below).

Cost or valuation at 31 December 2024 is represented by:

	Listed investments £	Unlisted investments £	Totals £
Valuation in 2021	13,459	-	13,459
Valuation in 2022	70,804	-	70,804
Valuation in 2023	(270,107)	-	(270,107)
Valuation in 2024	(243,422)	-	(243,422)
Cost	<u>1,932,889</u>	<u>43,194,824</u>	<u>45,127,713</u>
	<u>1,503,623</u>	<u>43,194,824</u>	<u>44,698,447</u>

The company's investments at the balance sheet date in the share capital of companies include the following:

Trigon Snacks Trading Limited

Registered office: Inside the United Kingdom

Nature of business: Retail

Class of share:	%
Ordinary	holding 100

Downing Sustainable Investment I Ltd

Registered office: Inside the United Kingdom

Nature of business: Investment company

Class of share:	%
Ordinary	holding 100

Downing Sustainable Investment I Ltd owns 100% of the share capital in the following subsidiary.

Scots Wind Property Ltd

Registered office: Inside the United Kingdom

Class of share:	%
Ordinary	holding 100

Scots Wind Property Ltd owns 100% of the share capital in the following subsidiary.

The notes form part of these financial statements

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2024

15. FIXED ASSET INVESTMENTS - continued

Sustainable Land Acquisitions Ltd
Registered office: Inside the United Kingdom

Class of share:	%
Ordinary	holding 100

Sustainable Land Acquisitions Ltd owns 100% of the share capital in the following subsidiary.

Stronelaig Wind Estate Ltd
Registered office: Inside the United Kingdom

Class of share:	%
Ordinary	holding 100

Homer Renewables Ltd
Registered office: Inside the United Kingdom

Class of share:	%
Ordinary	holding 100

Downing Sustainable Investment I Ltd owns 100% of the share capital in Homer Renewables Ltd. Homer Renewables Ltd owns 100% of the share capital in the following subsidiaries:

AMP HA001 Ltd
Registered office: Inside the United Kingdom

Class of share:	%
Ordinary	holding 100

AMP HA004 Ltd
Registered office: Inside the United Kingdom

Class of share:	%
Ordinary	holding 100

AMP HA005 Ltd
Registered office: Inside the United Kingdom

Class of share:	%
Ordinary	holding 100

AMP HA006 Ltd
Registered office: Inside the United Kingdom

Class of share:	%
Ordinary	holding 100

AMP HA008 Ltd
Registered office: Inside the United Kingdom

Class of share:	%
Ordinary	holding 100

AMP HA010 Ltd
Registered office: Inside the United Kingdom

Class of share:	%
Ordinary	holding 100

The notes form part of these financial statements

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2024

15. FIXED ASSET INVESTMENTS - continued

Stronelaing Wind Estate Ltd was acquired by Sustainable Land Acquisitions Ltd on 22nd September 2023. The company was purchased for £53,672,731 (as restated). At the acquisition date the net assets were £3,022,705. The goodwill arising on acquisition is calculated below, and detailed in note 13.

Consideration	£	£
		53,672,731
Less net assets at acquisition:		
- Share capital		
- Retained earnings		
		¹
		<u>3,022,704</u>
		(3,022,705)
		<u><u>50,650,026</u></u>

The solar panel companies (as detailed previously) were acquired by Homer Renewables Ltd on 30th October 2024. The company was purchased for £402,763. At the acquisition date the net liabilities were £806,907. The goodwill arising on acquisition is calculated below, and detailed in note 13.

Consideration	£	£
		402,763
Less net assets at acquisition:		
- Share capital		
- Retained earnings		
		600
		<u>(807,507)</u>
		(806,907)
		<u><u>1,209,670</u></u>

16. INVESTMENT PROPERTY – GROUP AND CHARITY

FAIR VALUE	£
At 1 January 2024	26,840,000
Additions	<u>800,000</u>
At 31 December 2024	<u>27,640,000</u>
NET BOOK VALUE	
At 31 December 2024	<u>27,640,000</u>
At 31 December 2023	<u>26,840,000</u>

The Trustees' have reviewed the valuation of the investment properties and have revalued one property which has changed materially in value.

Fair value at 31 December 2024 is represented by:

Valuation in 2023	£
Cost	5,660,000
	<u>21,980,000</u>
	<u>27,640,000</u>

The notes form part of these financial statements

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2024

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2024	2023	2024	2023
		<i>Restated</i>		
	£	£	£	£
Trade debtors	5,586,812	6,112,509	-	-
Prepayments and accrued income	256,598	205,727	25,962	67,693
Other debtors	2,293,975	586,082	1,228,099	410,111
	<u>8,137,385</u>	<u>6,904,318</u>	<u>1,254,061</u>	<u>477,804</u>

18. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Charity	
	2024	2023	2024	2023
		<i>Restated</i>		
	£	£	£	£
Other debtors	35,624,893	33,026,172	40,290,399	34,095,362
	<u>35,624,893</u>	<u>33,026,172</u>	<u>40,290,399</u>	<u>34,095,362</u>

On 1 January 2021 a deed of novation was signed, transferring a loan owed by Crown Network Ltd, to Choithram International Foundation, to the Human Capability Foundation, a charity with trustees/directors in common. At the balance sheet date, Crown Network Ltd owed AED 24.3million (£5.2million), repayable in more than one year, with interest accruing at 1.75% over the Bank of England base rate. During the year interest accruing was £341,629 (2023: £310,318).

On 1 March 2022, a loan owed by NATCO Foods Ltd to T Choithram International S.A, was transferred to the Human Capability Foundation. At the balance sheet date, NATCO Foods Ltd owed £9.3m, repayable in more than one year, with interest accruing at 2.5% over the Bank of England base rate. During the year interest accruing was £686,080 (2023: £600,274).

On 1 March 2022, a loan owed by T Choithram & Sons (London) Ltd to T Choithram International S.A, was transferred to the Human Capability Foundation. During 2022 and 2023 additional loans were transferred. At the balance sheet date, the total outstanding was £21.0m, repayable in more than one year, with interest accruing at 2.5% over the Bank of England base rate. The interest accruing during the year was £1,540,232 (2023: £1,331,554)

19. CURRENT ASSET INVESTMENTS

	Group		Charity	
	2024	2023	2024	2023
		<i>Restated</i>		
	£	£	£	£
Unlisted Investments	-	2,400,000	-	2,400,000
	<u>-</u>	<u>2,400,000</u>	<u>-</u>	<u>2,400,000</u>

HCF's holding in a renewable energy investment bond matured in 2024.

The notes form part of these financial statements

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2024

20. STOCKS

	Group		Charity	
	2024	2023 <i>Restated</i>	2024	2023
	£	£	£	£
Raw materials	3,136,570	2,192,605	-	-
Finished goods	1,016,140	317,274	-	-
	<u>4,152,710</u>	<u>2,509,879</u>	<u>-</u>	<u>-</u>

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2024	2023 <i>Restated</i>	2024	2023
	£	£	£	£
Bank loans and overdrafts	2,003,274	-	-	-
Trade creditors	682,514	444,259	-	-
Social security and other taxes	62,996	62,997	-	-
VAT	626,305	722,926	32,074	60,641
Other creditors	9,909,244	8,619,930	6,681,439	10,329,611
Other loans	-	11,557,805	-	11,557,805
Accrued expenses	116,466	164,444	18,450	13,500
	<u>13,400,799</u>	<u>21,572,361</u>	<u>6,731,963</u>	<u>21,961,557</u>

Other creditors includes £2,618,316 (2023: £10,313,111) owing to Downing Sustainable Investment I Ltd, a wholly owned subsidiary, relating to unpaid share capital.

Other loans in 2023 included £11,557,805 owing to L.T. Pagarani, a close family member. This loan was re-assigned in the year to Choithram International Foundation, and has subsequently been donated to HCF.

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

	Group		Charity	
	2024	2023 <i>Restated</i>	2024	2023
	£	£	£	£
Bank loans	31,072,030	30,778,864	-	-
	<u>31,072,030</u>	<u>30,778,864</u>	<u>-</u>	<u>-</u>

The notes form part of these financial statements

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2024

23. SECURED DEBTS

The following secured debts are included within creditors:

	2024	Group	2023
	£		£
Bank loans	<u>32,209,751</u>		<u>30,778,864</u>

The bank loan relates to a facility from Scottish Widows Limited, with Lloyds Bank Plc as Security Trustee for the acquisition of Stronelairg Wind Estate Ltd by Sustainable Land Acquisitions Ltd in September 2023. The loan is an index linked term loan of £30,843,640 repayable over the period until 30 April 2042. The balance outstanding at the 31 December 2024 is £32,262,446 (2023: £30,986,137). The amount shown in creditors is net of the arrangement fee of £195,038 (2023: £207,273). The interest rate on the loan in real terms is 2.64%. We note that the calculation is made up of a margin of 1.9% in addition to a compounded reference gilt rate (variable). The bank loan all-in rate is indexed linked. The loan is subject to securities and guarantees in the form of a debenture, share pledge and assignment of receivables.

24. MOVEMENT IN FUNDS

	At 1.1.24 <i>Restated</i> £	Net movement in funds £	At 31.12.24 £
Unrestricted funds			
General fund	77,851,373	13,374,267	91,225,640
Revaluation Reserve	4,507,108	(471,282)	4,035,826
TOTAL FUNDS	<u>82,358,481</u>	<u>12,902,985</u>	<u>95,261,466</u>

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

	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Movement in funds £
Unrestricted funds				
General fund	44,453,782	(31,079,515)	-	13,374,267
Revaluation Reserve	-	-	(471,282)	(471,282)
TOTAL FUNDS	<u>44,453,782</u>	<u>(31,079,515)</u>	<u>(471,282)</u>	<u>12,902,985</u>

Comparatives for movement in funds

	At 1.1.23 £	Net movement in funds £	At 31.12.23 <i>Restated</i> £
Unrestricted funds			
General fund	72,510,337	5,341,036	77,851,373
Revaluation Reserve	(623,696)	5,130,804	4,507,108
TOTAL FUNDS	<u>71,886,641</u>	<u>10,471,840</u>	<u>82,358,481</u>

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

	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Movement in funds £
Unrestricted funds				
General fund	35,051,771	(29,710,735)	-	5,341,036
Revaluation Reserve	-	-	5,130,804	5,130,804
TOTAL FUNDS	<u>35,051,771</u>	<u>(29,710,735)</u>	<u>5,130,804</u>	<u>10,471,840</u>

The notes form part of these financial statements

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2024

25. PRIOR YEAR ADJUSTMENT

Within the subsidiary companies, a prior year adjustment was required in Downing Sustainable Investment I Ltd to reclassify expenditure previously classified as legal and professional, as relating to the acquisition of the subsidiary. Therefore, an adjustment has been made for £173,215 to reflect the reclassification of the expenditure and the transfer via intercompany balances. In Stronelairg Wind Estate Ltd, an error was identified as relating to the calculation of the variable rent. As such the income and expenditure for the group was overstated by £1.3m. As a result of the above, the goodwill calculation and amortisation has been restated by £1,863. The net effect of these adjustments is a decrease in retained earnings of £1,175,632.

26. RELATED PARTY DISCLOSURES

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
The following amounts are included in the consolidated statement of financial activities:				
Entities with trustees/directors in common				
Income investment properties	800,000	800,000	1,005,000	1,005,000
Solar electricity	49,055	36,937	49,055	36,937
Sales of donated products	-	-	10,842	12,427
Interest	2,567,940	2,242,146	2,844,256	2,316,027
Donations	11,555,883	1,609,491	11,555,883	1,609,491
Donation of asset	-	1,927,376	-	1,927,376
	(14,972,878)	(6,615,950)	(15,465,036)	(6,907,258)
Entities with key management in common				
Donations	320,000	320,000	700,000	320,000
Transactions with subsidiaries				
Donations received	-	-	2,199,279	5,100,461

The following amounts are included in the consolidated and charity balance sheet:

Entities with trustees/directors in common				
Loans owed to related parties	9,186,574	9,000,921	4,063,123	-
Loans owed by related parties	35,624,891	32,486,172	40,290,398	34,095,362
Rent owed by related parties	-	-	-	-
Sales	702,998	510,178	-	-
Purchases	17,895	24,020	-	-
Trade balance owed by related parties	126,958	104,151	-	-
	45,659,316	39,748,818	44,353,521	-
Subsidiary companies				
Loans owed to related parties	-	-	(2,618,316)	(10,313,111)
Close family members				
Loans owed to related parties	-	(11,557,805)	-	(11,557,805)

27. POST BALANCE SHEET EVENTS

In June 2025, the Charity's subsidiary Downing Sustainable Investments I Ltd, acquired 100% of the share capital of a new subsidiary, Curlew Power Ltd for £11.6m. The acquisition forms part of the investment in renewable energy.

28. CONTINGENT LIABILITIES

The charity is currently involved in an on-going legal case and have been advised to disclose no details at this moment in time.

The notes form part of these financial statements

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2024

29. INSTITUTIONAL GRANTS

Total grants in 2024 approved by the Foundation were £1,947,029 (2023: £1,619,519). These were made up as follows:

Beneficiary	£
Urgent Action Fund for Women's Human Rights (Asia & Pacific)	237,154
Kolkata Sanved	102,482
Synchronicity Earth	100,000
iPartner India	87,194
Sama- Resource Group for Women	85,921
Isvar Sankalpa	76,357
Aajeevika Bureau Trust	76,198
Mitra Technology Foundation	67,575
Navchetna Sarvangin Vikas Kendra	58,288
Autism Society West Bengal	56,440
Sound and Picture Archives for Research on Women	54,544
Vishakha Mahila Shiksha Avam Shoodh	53,965
Grameen Shiksha Kendra Samiti	53,950
Patang	52,219
LAYA	47,570
Synergy Sansthan Samiti	43,975
Kislay	38,653
Gramin Avam Samajik Vikas	38,274
Disha Trust	34,551
reFrame Institute of Arts & Expression Private Ltd	32,171
SAMVADA	32,097
Yakshi Resource and Creativity Centre for Rural Children and Youth	31,147
TARSHI	28,664
Breakthrough Trust	27,555
Azad Foundation	27,538
Tribal Health Initiative	25,271
Urja Trust	23,802
Jandaksha Trust	23,505
Kotra Adivasi Sansthan	23,164
Anjali	23,125
Bal Umang Drishya Sansthan	21,242
Sappho for Equality	15,498
Social Action for Knowledge Building and Awareness Raising	15,229
National Law School of India University	14,440
Vanavil Trust	14,135
Foundation for Social Transformation	14,109
Muskaan	13,510
Vatsalya Societies	13,093
Other international grantees	162,424

A full list of grantees can be made available upon request from the charity.

The notes form part of these financial statements

Accounts

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

HUMAN CAPABILITY FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Berringers LLP
Chartered Accountants
and Statutory Auditors
Lygon House
50 London Road
Bromley
Kent
BR1 3RA

HUMAN CAPABILITY FOUNDATION

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HUMAN CAPABILITY FOUNDATION

REPORT OF THE TRUSTEES for the year ended 31 December 2023

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the audited consolidated financial statements of the charity for the year ended 31 December 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

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

- Women & girls' rights and gender equity
- Sexual and reproductive health rights
- Rights of economically and socially marginalised people
- Mental health and disability rights
- Labour and migration rights
- Environmental protection and climate change mitigation
- Arts and Cultural Expression

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

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

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

The short-term aims of the HCF are to continue supporting organisations and identify new organisations who are working at the grassroots level in the most marginalised communities. The HCF wishes to remain an agile organisation that can respond quickly to emerging needs and requirements. Our medium-term aim is to ensure that we provide space for our grantees to innovate within their work, trying new initiatives and ideas. A long-term goal is to significantly increase our annual level of funding to capable organisations. This will increase the capabilities, rights and quality of life for communities that we seek to help.

Public benefit

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

Going concern

After reviewing the group's forecasts and projections, the trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

HUMAN CAPABILITY FOUNDATION

REPORT OF THE TRUSTEES for the year ended 31 December 2023

STRATEGIC REPORT

Achievement and performance

Charitable activities

This year HCF have continued to support a significant number of NGO's, with grants approved during the year totalling £1,618,519 (2022: £1,226,722). The grants have been distributed in accordance with the charitable objectives as below:

	2023	2022
	£	£
- Women and girls' rights and empowerment	77,624	64,376
- Sexual and reproductive health rights	149,140	154,688
- Gender equality	29,801	-
- Rights of economically and socially marginalised groups	14,076	17,982
- Mental health and disability rights	304,232	208,603
- Labour & migration rights	124,143	170,214
- Environmental protection and climate change mitigation	381,885	198,042
- Youth education	328,622	185,405
- Arts & cultural expression	152,831	161,934
- Media & journalism	56,165	33,978
- Emergency relief	-	31,500
	1,618,519	1,226,722

For the large part, the HCF does not take unsolicited applications. The HCF invites and commissions proposals. In the future we envisage having calls for proposals in order to broaden our grantee base. The HCF will fund a grantee organisation's core running costs, as well as project-specific costs. This is in line with the charity's objective to support a healthy civic society where charities and NGOs can sustain their work and undertake activities that will best serve their goals. Grantees do not need to be a registered charity but the activities and aims of the organisation must be legally charitable.

The HCF supports organisations of varying sizes. Trustees are keen to help grassroots, small-to-medium-sized organisations, and we employ various strategies to encourage this. The HCF also funds larger organisations that are using scale to further their aims. The trustees also recognise when there is a need to fund other donors who have funding networks and expertise in areas where the HCF is unable to fund. In these cases, the HCF is careful to only fund donors whose values align with the HCF and which keep their operating and administrative costs low, in order to maximise the funds that reach the intended beneficiaries. HCF is flexible on the size of the grant, and is willing to fund small amounts, around £1,000 in order to support smaller organisations. For first-time grantees the upper limit is usually £100,000 for a 12-month grant.

The HCF increased its grant expenditure in 2023, which is an on-going aim. We identified new grantees who received initial funding in 2023. HCF continued its support to the majority of the organisations we had supported in the previous year. We have increased our internal capacity in order to achieve our long-term goal of increasing our grant expenditure.

One of our aims has been to provide space for grantees to innovate within their work. To this end, the Dream Project Fund has been a great success, with the funds released as planned in 2023. The Fund invites existing grantees to apply for additional funding earmarked for a 'dream' project. Their proposal needs to be inventive and different from what they are currently doing. The idea is to encourage out-of-the-box thinking. We are planning the second iteration of this fund which will be launched in 2024. Due to the fund's successes so far, we will document this process with external consultants and a film-maker, so that we can share the process with other donors in order to advocate this exciting approach. HCF has provided support to winning grantees to help their projects be a success.

The HCF is planning more workshops and conferences for our grantees, which are designed to foster learning, cooperation and inspiration. These workshops further our aims of supporting a healthy civic society, strengthening local organisations, sharing knowledge so that our grantees' work will improve. As well as this, we also hosted a meeting of donors in India. This will inform our work and see how we can be more strategic at a higher level.

Our grantees have largely been able to undertake their planned activities. We undertook an evaluation of one of our grantee's programmes and the evaluation was positive. We are happy to be inviting grant proposals in people's local languages and funding the cost of translations into English so that we can reach grantees that have previously missed out on funding from other donors because of a lack of fluency in English. This fits with our aim of reaching marginalised communities.

HUMAN CAPABILITY FOUNDATION

REPORT OF THE TRUSTEES for the year ended 31 December 2023

STRATEGIC REPORT

Achievement and performance

Financial Review

Total grants approved by the foundation in 2023 were £1,618,519 (2022: £1,226,722). Total donations received by the Charity in 2023 amounted to £3,856,867 (2022: £31,729,451).

The trustees believe that the valuation of the investment properties as at 31 December 2022 are not materially different to their market values. The trustees are not qualified surveyors but believe that this valuation method represents a sufficiently accurate estimation without the need to spend any of the charity's funds on professional valuations.

During the year rental income received from the properties owned by HCF amounted to £1,235,579 (2022: £1,235,579). These properties provide on-going monthly sources of income from the rent.

The HCF holds reserves because we plan to be a long-term funder in India providing small and medium-sized grants to organisations. At the year end total group reserves held were £83,534,113 (2022: £71,886,641). We hold reserves to ensure that we can commit to multi-year funding for grantees.

Through its trading subsidiary Downing Sustainable Investment I Ltd (DSII), we invested £26,570,257 in renewable energy projects. We have judged that a renewable energy portfolio is in line with our charity's ethics as the funds are used to create green energy resources. HCF is able to secure a high return/risk ratio on its renewable energy investments due to the institutional expertise it has developed through several years of work in the sector. A high proportion of the income from these investments derives from feed-in-tariffs which are UK government-backed, and therefore pose a very low credit risk. A high proportion of the future income is also linked to inflation indices, which protects the real value of our reserves from being eroded by inflation. These investments are designed to provide a flow of income throughout their life rather than simply capital appreciation, which makes them suitable for supporting a future stream of grant-making expenditure. DSII is managed by HCF and Downing LLP. At the end of the year, operations within DSII are proceeding as planned. At the date of finalising these accounts in August 2024, we are continuing to examine potential new investments in renewable energy.

DSII has the following subsidiaries:

Scots Wind Property Ltd: this is the direct subsidiary of Downing Sustainable Investment I Limited and is the holding company incorporated for executing the investments in wind energy. The company is engaged in holding functions only and has no operational activities.

Sustainable Land Acquisitions Ltd: this is a direct subsidiary of Scots Wind Property Ltd. It is the acquisition company, which acquired the operating company Stronelairg Wind Estate Ltd, which owns the wind energy asset. Sustainable Land Acquisitions Ltd is the borrower of financial debt against financial institutions, whose project finance debt has been used to fund the acquisition of Stronelairg Wind Estate.

In May 2023, HCF invested \$2,181,224 USD in the equity of Nithio Holdings Inc. This is a fintech start-up that analyses credit risk to increase funding of distributed renewable energy in Africa, to combat climate change and universalise access to electricity. This investment is designed to support the UN sustainable Development Goals, as well as to provide a financial return.

HCF trading subsidiary, Trigon Snacks Trading Ltd, a nut-roasting business, made a net loss of £701,285 in 2023 (2022: £1,337,174 loss) due to delays in passing on increased raw material and overhead costs to its customers. A further, albeit significantly smaller, loss is forecast for 2024, followed by a return to break-even in 2025. The share capital of Trigon Snacks Trading Ltd was donated to the charity in 2018 and 2020, in order for the charity to have a source of future revenue.

HCF's assets include a loans to related parties (its direct subsidiary Trigon Snacks Trading Ltd, as well as Natco Foods Ltd and T. Choithram & Sons (London) Ltd). These loans were assigned to HCF as donations by the original lender. HCF was not involved in the lending process itself. After receiving the benefit of the loans, HCF has assessed the credit-worthiness of the debtors and found it satisfactory.

In April 2023, Lekhraj T. Pagarani, who is the father of all three HCF trustees, made an interest-free loan of £11,555,882 to the charity. Accepting this loan is in the interests of the charity because it is able to generate significant net income by investing that money in renewable energy projects while incurring no interest costs or other costs as a result of the loan.

HUMAN CAPABILITY FOUNDATION

REPORT OF THE TRUSTEES for the year ended 31 December 2023

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

HCF Reserves Policy

Although it is 12 years old, the charity is still in the first stage in its planned evolution. The trustees intend for the charity to be able to support long term projects consistently for the duration of gradual processes of structural change over 30-40 years. The charity does not have any public fund-raising activities and is reliant on a small number of private donors whose ability to donate in the future is not guaranteed.

Developing and expanding our grant-making systems is a gradual process in which our working relationships with grantees accumulate. Our grants expenditure has increased significantly and will continue to increase over the lifetime of the charity. Our income from donations is likely to be higher in the first phase of its evolution before declining when our small pool of private donors has depleted. Therefore, it is prudent for the charity to hold reserves in a variety of lower-risk investments to generate future income for the charity.

It is intended that in the later stages of the charity's lifecycle, the expenditure will be higher than the income.

Future plans

In 2024 we will be continuing to fund within our focus areas.

Planned activities for 2024 beyond our regular grant-making activities:

- Increase grant expenditure
- Increased grant evaluations
- Increased site visits to grantees
- Launch Dream Project Fund 2.

Trustees' duty to promote the success of the Charity – Section 172 statement

The trustees are the directors of the Human Capability Foundation and have a duty to promote the success of the Charity and, in doing so, are required by section 172(1) of the Companies Act 2006 to have regard to various specific factors, including:

- the likely consequences of decisions in the long term
- the need to foster the Charity's relationships with third-party stakeholders
- the impact of the Charity's operations on the community and environment
- the desirability of the Charity maintaining a reputation for high standard of business conduct.

HUMAN CAPABILITY FOUNDATION

REPORT OF THE TRUSTEES for the year ended 31 December 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

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

Luke Pagarani
Davinder Pagarani
Natasha Pagarani

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

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

In 2023, the HCF received a total of £1,600,000 (2022: £361,100) from NATCO Foods Ltd and £320,000 (2022: £840,000) from Giant Exports Services Ltd. The HCF also received donations relating to loans from T Choithram & Sons (London) Ltd of £1,927,376 (2022: £19,299,329), NATCO Foods Ltd of £nil (2022: £7,772,282) and from Trigon Snacks Trading Ltd of £nil (2022: £956,603), all companies with mutual directors. A donation of £nil (2022: £2.5m) was also received from T Choithram International SA, a connected party due to mutual control. A gift aid donation of £5,100,461 was received from Stronelairg Wind Estate Ltd, a subsidiary of HCF, and has been eliminated on consolidation.

T.Choithram & Sons (London) Ltd is the parent company of Natco Foods Limited, of which Luke Pagarani is Managing Director, Natasha Pagarani is also employed and Davinder Pagarani is engaged as a consultant. Natco Foods Limited is a company based in the UK whose core business is the sourcing, processing and selling of foods from around the world to consumers primarily in the UK. It is the intention of T.Choithram & Sons (London) Ltd and its subsidiaries to continue financial support of the HCF indefinitely.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

07715471 (England and Wales)

Registered Charity number

1145084

Registered office

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

Trustees

Miss N Pagarani
L Pagarani
D Pagarani

Company Secretary

Miss N Pagarani

Auditors

Berringers LLP
Chartered Accountants and Statutory Auditors
Lygon House
50 London Road
Bromley
Kent
BR1 3RA

HUMAN CAPABILITY FOUNDATION

REPORT OF THE TRUSTEES for the year ended 31 December 2023

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

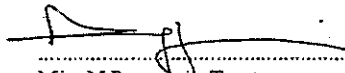
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Berringers LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a Strategic report, approved by order of the board of trustees, as the company directors, on 26/9/24 and signed on the board's behalf by:


Miss N Pagaram - Trustee

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

Opinion

We have audited the consolidated financial statements of Human Capability Foundation (the parent 'charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the Consolidated statement of financial activities, the group and parent charitable company Balance sheet, the consolidated cash flow statement and consolidated notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2023 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the consolidated financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Report of the independent auditors thereon.

Our opinion on the consolidated 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 consolidated 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the trustees for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements; and
- the Report of the trustees has been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the trustees.

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

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

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities, the trustees (who are also the directors of the parent 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 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.

Our responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our procedures to respond to risk include the following:

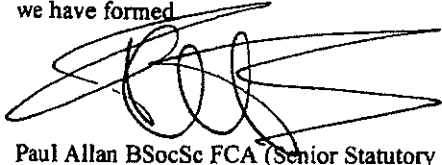
- reviewing the financial statement disclosures and testing to supporting documentation;
- performing analytical procedures to identify any unusual or unexpected areas that may indicate risks of material misstatement due to fraud or error;
- addressing the risk of fraud and error through management override of controls, testing the appropriateness of journals, assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

Use of our report

This report is made solely to the parent 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 parent 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 parent charitable company and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed



Paul Allan BSocSc FCA (Senior Statutory Auditor)
for and on behalf of Berringers LLP
Chartered Accountants
and Statutory Auditors
Lygon House
50 London Road
Bromley
Kent
BR1 3RA

Date:

26/9/24

HUMAN CAPABILITY FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) for the year ended 31 December 2023

	Notes	2023 Unrestricted fund £	2022 Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	3	3,856,867	31,729,451
Other trading activities			
Commercial trading operations	4	28,981,413	22,906,462
Investment income	5	3,560,475	2,293,521
Total		36,398,755	56,929,434
EXPENDITURE ON			
Costs of raising funds			
Commercial trading operations	4	27,762,719	23,898,407
Charitable activities			
Grants	6	1,618,519	1,226,722
Other	8	500,849	(158,193)
Total		29,882,087	24,966,936
Net gains/(losses) on investments			
Unrealised gains/(losses) on fixed asset investments	15	(666,501)	(738,520)
Unrealised gains/(losses) on investment property	16	5,660,000	-
Realised gains/(losses) on fixed asset investments	15	(138,386)	-
Realised gains/(losses) on investment property	16	275,691	101,365
NET INCOME		11,647,472	31,325,343
NET MOVEMENT IN FUNDS		11,647,472	31,325,343
RECONCILIATION OF FUNDS			
Total funds brought forward	24	71,886,641	40,561,298
TOTAL FUNDS CARRIED FORWARD		83,534,113	71,886,641

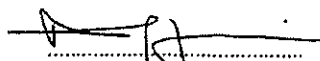
The consolidated statement of financial activities includes all gains and losses recognised in the year. All income and expenditure has arisen from continuing activities of the group. The notes to the accounts are shown on pages 14 to 29.

The notes form part of these financial statements.

HUMAN CAPABILITY FOUNDATION
CHARITY AND CONSOLIDATED BALANCE SHEET
31 December 2023

		Group		Charity	
		2023	2022	2023	2022
		Unrestricted	Unrestricted	Unrestricted	Unrestricted
		fund	fund	fund	fund
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets					
Goodwill	13	50,163,578	-	-	-
Tangible assets					
Tangible assets	14	2,364,835	2,388,484	277,281	318,237
Investments					
Investments	15	4,664,150	10,797,401	43,966,481	15,788,043
Investment property	16	26,840,000	21,840,000	26,840,000	21,840,000
		84,032,563	35,025,885	71,083,762	37,946,280
CURRENT ASSETS					
Debtors: amounts falling due within one year	17	9,425,071	6,491,587	1,824,788	915,627
Debtors: amounts falling due after more than one year	18	33,026,172	30,597,573	34,095,362	31,592,882
Stocks	20	2,509,879	2,859,638	-	-
Investments	19	2,400,000	-	2,400,000	-
Cash at bank		5,665,422	6,714,310	4,094,595	5,203,217
		53,026,544	46,663,108	42,414,745	37,711,726
CREDITORS					
Amounts falling due within one year	21	(22,746,130)	(9,802,352)	(21,961,557)	(373,805)
NET CURRENT ASSETS					
		30,280,414	36,860,756	20,453,188	37,337,921
TOTAL ASSETS LESS CURRENT LIABILITIES					
		114,312,977	71,886,641	91,536,950	75,284,201
CREDITORS					
Amounts falling due in more than one year	22	(30,778,864)	-	-	-
NET ASSETS					
		83,534,113	71,886,641	91,536,950	75,284,201
FUNDS					
Unrestricted funds	23	83,534,113	71,886,641	91,536,950	75,284,201
TOTAL FUNDS					
		83,534,113	71,886,641	91,536,950	75,284,201

The consolidated financial statements were approved by the Board of Trustees and authorised for issue on 26/9/24 and were signed on its behalf by:


N Pagaran - Trustee

The notes form part of these financial statements.
Page 11

HUMAN CAPABILITY FOUNDATION
CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	2,969,851	4,230,046
Interest paid		<u>(403,057)</u>	<u>-</u>
Net cash (used in)/provided by operating activities		<u>2,566,794</u>	<u>4,230,046</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		354,661	(429,957)
Sale of investment property		935,691	941,365
Sale of investments		7,233,841	-
Purchase of fixed asset investments		(55,637,019)	(11,137,037)
Rents and other income from investments		1,067,516	1,069,220
(Purchase)/sale of current asset investments		(2,400,000)	4,245,346
Interest received		2,324,915	1,144,000
Dividends received		<u>168,044</u>	<u>80,301</u>
Net cash used in investing activities		<u>(45,952,351)</u>	<u>(4,086,762)</u>
Cash flows from financing activities			
New loans in year		<u>42,336,669</u>	<u>-</u>
Net cash provided by financing activities		<u>42,336,669</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		(1,048,888)	143,284
Cash and cash equivalents at the beginning of the reporting period		<u>6,714,310</u>	<u>6,571,026</u>
Cash and cash equivalents at the end of the reporting period		<u><u>5,665,422</u></u>	<u><u>6,714,310</u></u>

The notes form part of these financial statements.

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 December 2023

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

	2023	2022
	£	£
Net income for the reporting period (as per the Statement of financial activities)	11,647,472	31,325,343
Adjustments for:		
Depreciation charges	385,852	366,590
Amortisation of goodwill	545,256	-
Finance costs	403,057	-
Interest received	(2,324,915)	(1,144,000)
Dividends received	(168,044)	(80,301)
Rent and other income from investments	(1,067,516)	(1,069,220)
Donated asset	(1,927,376)	(28,028,214)
(Gains)/losses on investments	(4,855,113)	738,520
(Gains) on sale of investment property	(275,691)	(101,365)
Loss/(gain) on foreign exchange	305,662	(489,118)
Decrease in stocks	349,759	141,784
Decrease/(increase) in debtors	(1,433,484)	(375,876)
Increase in creditors	1,384,932	2,945,903
Net cash (used in)/provided by operations	2,969,851	4,230,046

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.23	Cash flow	At 31.12.23
	£	£	£
Net cash			
Cash at bank	6,714,310	(1,048,888)	5,665,422
	<u>6,714,310</u>	<u>(1,048,888)</u>	<u>5,665,422</u>
Liquid resources			
Current assets investments	-	2,400,000	2,400,000
	<u>6,714,310</u>	<u>1,351,112</u>	<u>8,065,422</u>

The notes form part of these financial statements.

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2023

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the parent charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets. The presentational currency of the group financial statements is the Pound Sterling (£).

Preparation of the accounts on a going concern basis

After reviewing the group's forecasts and projections, the trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

Consolidated financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiaries (detailed in note 15) on a line-by-line basis. Subsidiaries are fully consolidated from the date on which control is transferred to the group. Prior to this, Trigon Snacks Trading Ltd was accounted for as an associate. Associates are all entities over which the group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting.

A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by Companies Act 2006, s. 408.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates.

The trustees and directors have made assumptions regarding the recoverability of trade debtors and have provided accordingly in the subsidiary financial statements.

Stock valuation is reviewed at the end of the year, and key assumptions are made in relation to net realisable values and obsolete or slow-moving stocks. Where necessary the directors include a provision against the stock value for Trigon Snacks Trading Ltd.

The trustees consider the useful economic life of fixed assets and estimate depreciation accordingly. Depreciation rates are noted in the accounting policies and the depreciation totals for the year are included in note 14.

For the subsidiary company, Stronelairg Wind Estate Ltd, Wind farm rental income is based on the level of energy generated. The final statement for energy generated in the period April to December 2023 will not be confirmed until after the financial statements are signed, An estimate of the rental income due for the period of £2.5m (2022: £3.2m) has been included based on interim energy generation report and applying energy auction prices (www.nordpoolgroup.com). The actual income will depend on SSE prices, levels of curtailment and ROC recycle approved volumes.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. The following specific policies are applied to particular categories of income:

- Income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- Rental income from investment property and leased out assets are recognised when receipt is probable and entitlement is established. Solar electricity income relates to electricity generated by solar panels owed by HCF and sold to related parties per note 25. All income for the year excludes VAT.
- Other trading activities relate to the realised sale of food products and consumer goods donated by related parties at nil cost as per note 25. No VAT is charged on these products and minimal levels of stock are held at the year end.

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2023

2. ACCOUNTING POLICIES - continued

Commercial trading income is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Turnover is derived from the sale of goods and is recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer, the price is determinable and the collection of the amount due is reasonably assured.

Expenditure

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

Grants

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

Other Expenditure

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

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

Within the subsidiary company depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Plant and machinery	- 15 - 25% on net book value
Fixtures and fittings	- 15 - 25% on net book value
Office equipment	- 25% of the net book value

Depreciation has not been provided for on Land and Buildings. This relates wholly to land, for which no depreciation is provided.

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Goodwill

Goodwill, being the amounts paid in connection with the purchase of Stronelairg Wind Estate Ltd by Sustainable Land Acquisitions Ltd. Goodwill is amortised evenly over the term of the lease acquired as part of the acquisition, 24 years.

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

The trustees and directors have reviewed the carrying value of the tangible fixed assets and no impairment is deemed necessary.

Bank Charges

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

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2023

2. ACCOUNTING POLICIES - continued

Allocation and apportionment of costs

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

Investment property

Investment properties include donated properties at fair value and are shown at most recent valuation. Any aggregate surplus or deficit arising from changes in valuation is recognised in the Statement of financial activities.

Taxation

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

In the subsidiary company current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- the group is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised. Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference. With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the company has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

The lease for the windfarm held in Stronelaig Wind Estate Ltd is treated as an operating lease. The total rental income is based on the level of energy generation. While the rate paid for generated income increases later in the lease, due to the many external factors that can impact energy generation it is not possible to accurately predict the level of income in future years. As a result this rental income is recognised in the period to which the income relates. The base rent element is allocated to the period to which it relates and then allocated to months within this period on a straight line basis.

Fund accounting

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

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2023

2. ACCOUNTING POLICIES - continued

Current asset investments

Current asset investments are investments that are easy to access when required and have a maturity of within 12 months of the year end. In 2023, HCF invested in a renewable energy bond, that is in line with the charities ethics and objective of supporting worthy causes.

Fixed asset investments

In 2020, HCF invested in Downing Renewables & Infrastructure Trust PLC (DORE) which is in line with the charities ethics as it is designed to deliver stable and sustainable returns by investing in a diversified portfolio of hydro, solar, wind and other infrastructure assets. In 2022, HCF increased its investment in DORE, and invested in Greencoat UK Wind Plc and Next Energy Solar Fund Ltd, with additional investments in Triple Point Energy Transition Plc and Aquila Energy Efficiency Trust in 2023. Downing Sustainable Investment I Ltd also holds investments in Downing Renewables and Infrastructure Trust Plc.

Additionally, in 2023 HCF invested in a US Fintech start up, Nithio Holdings Inc, that analyses credit risk to increase funding of distributed renewable energy in Africa.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is calculated as follows:-

Raw materials - Cost of purchase on first in, first out basis.

Work in progress and finished goods - Cost of raw materials and labour together with attributable overheads.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

The company provides for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

Derivative financial instruments

Derivative financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in profit or loss. Outstanding derivatives at reporting date are included under the appropriate format heading depending on the nature of the derivative.

3. DONATIONS AND LEGACIES

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Donations	<u>3,856,867</u>	<u>31,729,451</u>	<u>8,957,328</u>	<u>31,729,451</u>

For full breakdown of donations please see the Trustees report on page 5.

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2023

4. GROUP UNDERTAKINGS

The consolidated financial statements include the results of the below group undertakings; Trigon Snacks Trading Ltd, which became a subsidiary on 31 December 2020 when the remaining 90% of the share capital was donated to the charity, Downing Sustainable Investment I Ltd, which was set up in April 2022, with HCF being 100% shareholder and Scots Wind Property Ltd, a subsidiary set up in July 2023, with DSII being 100% shareholder, which incorporates its two wholly owned subsidiaries; Sustainable Land Acquisitions Ltd and Stronelaig Wind Estate Ltd. For details of the acquisition of Stronelaig Wind Estate Ltd please see note 13.

	Trigon Snacks Trading Ltd Year ended 31 December 2023	Downing Sustainable Investment I Ltd Year ended 31 December 2023	Scots Wind Property Ltd (Consolidated) Period ended 31 December 2023
	£	£	£
Turnover	25,934,761	-	3,046,652
Company expenditure	26,562,165	456,202	5,695,943
Profit for the period	(627,404)	(456,202)	(2,649,291)
Income from fixed asset investments	-	101,779	6,944
Interest payable and similar expenses	73,881	-	366,297
Gain/(loss) on sale of investments	-	(144,529)	-
Gain/(loss) on revaluation of investments	-	(396,396)	-
(Loss)/profit for the financial year	(701,285)	(895,348)	(3,008,644)

The results for each subsidiary above are as per the company's financial statements. The figures included the SOFA have been adjusted for the consolidation adjustments relating to expenditure for gift aid donations paid to the parent charity of £5,100,461, rent paid to the parent charity of £205,000, other income paid to the parent of £12,427 and interest due on a loan from the parent charity to a subsidiary of £73,880.

5. INVESTMENT INCOME

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Rents received	1,030,579	1,030,579	1,235,579	1,030,579
Solar electricity income	36,937	38,641	36,937	38,641
Other fixed asset invest - FII	168,044	80,301	72,819	80,301
Deposit account interest	57,027	3,624	43,529	3,624
Loan interest	2,242,146	1,100,956	2,316,027	1,100,956
Bond interest	25,742	39,420	25,742	39,420
	3,560,475	2,293,521	3,730,633	2,293,521

6. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (see note 7)
	£
Grants	1,618,519

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2023

7. GRANTS PAYABLE

The total grants paid to institutions during the year was as follows (for details please see note 26):

2023	2022
£	£
<u>1,618,519</u>	<u>1,226,722</u>

8. SUPPORT COSTS

	Finance £	Other £	Totals £
Other resources expended	<u>305,662</u>	<u>154,231</u>	<u>459,893</u>

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

Cost type	2023 £	2022 £
Finance		
Foreign exchange losses	305,662	(489,118)
Other		
Rates & water	-	13,980
Insurance	280	-
Light & heat	43	921
Website costs	864	504
Audit and accountancy	15,700	10,008
Legal and professional fees	9,887	164,806
Bank charges	765	1,142
Consultancy & management fees	126,692	97,028
Travel & subsistence	-	1,580
Depreciation	<u>40,956</u>	<u>40,956</u>
	<u>195,187</u>	<u>330,925</u>

Depreciation charges in the parent charity of £40,956 (2022: £40,956) are included in other resources expended.

	2023 £	2022 £
Fees payable to the Charity's auditors for the audit of the financial statements	<u>7,850</u>	<u>4,500</u>
	<u>2023 £</u>	<u>2022 £</u>
Depreciation - owned assets	<u>385,852</u>	<u>366,950</u>

9. NET INCOME/(EXPENDITURE)

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

	2023 £	2022 £
Auditors remuneration - parent charity	7,850	4,500
Depreciation - owned assets - parent charity	40,956	40,956
Expenditure charged in subsidiary companies:		
Depreciation - owned assets	344,896	325,634
Amortisation of goodwill	545,256	-
Auditors' remuneration - audit services	16,438	10,938
Auditors' remuneration - non-audit services	16,438	9,187
Operating lease rentals - plant & machinery	382	5,078
Stock recognised as an expense during the year	<u>21,998,681</u>	<u>17,613,343</u>
	<u>22,970,896</u>	<u>18,009,636</u>

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2023

	£	£
Wages and salaries	3,431,152	3,482,901
Social security costs	275,139	269,215
Other pensions costs	101,697	96,113
	<u>3,807,988</u>	<u>3,848,229</u>
	2023	2022
	£	£
Directors' remuneration	-	-
	<u>-</u>	<u>-</u>

Staff costs relates to employees and directors of the trading subsidiary.

10. EMPLOYEES AND DIRECTORS (Continued)

Staff costs relate to employees and directors of the trading subsidiary.

There are no employees of the parent charity who received emoluments of more than £60,000.

The average number of employees during the year was as follows:

	2023	2022
Production	118	115
Warehouse	7	7
Sales & administration	27	28
	<u>152</u>	<u>150</u>

Average number of employees relates to employees of the trading subsidiary.

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2023 nor for the year ended 31 December 2022.

Trustees' expenses

No trustees were reimbursed for their expenses during the year ended 31 December 2023 (2022:£504).

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 December 2023

12. COMPARATIVES FOR THE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Total funds £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	31,729,451
Other trading activities	
Commercial trading operations	22,906,462
Investment income	<u>2,293,521</u>
Total	56,929,434
EXPENDITURE ON	
Costs of raising funds	
Commercial trading operations	23,898,407
Charitable activities	
Grants	1,226,722
Other	(158,193)
Total	<u>24,966,936</u>
Unrealised gains/(losses) on fixed asset investments	(738,520)
Realised gains/(losses) on investment property	101,365
NET INCOME	31,325,343
RECONCILIATION OF FUNDS	
Total funds brought forward	40,561,298
TOTAL FUNDS CARRIED FORWARD	<u><u>71,886,641</u></u>

13. INTANGIBLE FIXED ASSETS

Group	Goodwill £
COST	
Additions	<u>50,708,834</u>
At 31 December 2023	<u>50,708,834</u>
AMORTISATION	
Charge for period	<u>545,256</u>
At 31 December 2023	<u>545,256</u>
NET BOOK VALUE	
At 31 December 2023	<u><u>50,163,578</u></u>

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued for the year ended 31 December 2023

13. INTANGIBLE FIXED ASSETS (Continued)

The goodwill relates to the acquisition of Stronelairg Wind estate Ltd on 22nd September 2023. The company, previously known as Connell Renewables Ltd, was acquired for £53,731,539. At the date of acquisition the net assets of the company were £3,022,705, resulting in goodwill of £50,708,834. The goodwill relates to the value of a lease that was acquired as part of the purchase of the company. The company owns land, subject to a lease relating to a windfarm, which is treated in the individual accounts as an operating lease. The goodwill represents the value of the lease over the remaining term of 24 years, and as such, the goodwill has been amortised on this basis.

Post acquisition, the company has been able to distribute its taxable profits, via a gift aid donation, to its ultimate parent charity. During the year, £3,740,524 was donated to HCF, with an additional £1,359,937 donated post year end. (£1,372,500 was paid in May 2024, of which £1,359,937 relates to 2023 taxable profits) These have been eliminated on consolidation.

14. TANGIBLE FIXED ASSETS

GROUP

	Freehold Property	Plant & Machinery	Fixtures & Fittings	Motor Vehicles	Office Equipment	Totals
		£	£	£	£	£
COST						
At 1 January 2023	-	4,377,672	350,175	16,495	130,878	4,875,220
Additions	7,542	336,906	3,890	-	13,865	362,203
At 31 December 2023	7,542	4,714,578	354,065	16,495	144,743	5,237,423
DEPRECIATION						
At 1 January 2023	-	2,182,758	196,541	12,825	94,612	2,486,736
Charge for year	-	350,948	23,180	918	10,806	385,852
At 31 December 2023	-	2,533,706	219,721	13,743	105,418	2,872,588
NET BOOK VALUE						
At 31 December 2023	7,542	2,180,872	134,344	2,752	39,325	2,364,835
At 31 December 2022	-	2,194,914	153,634	3,670	36,266	2,388,484

CHARITY

	Plant & Machinery
	£
COST	
At 1 January 2023 and 31 December 2023	530,395
DEPRECIATION	
At 1 January 2023	212,158
Charge for year	40,956
At 31 December 2023	253,114
NET BOOK VALUE	
At 31 December 2023	277,281
At 31 December 2022	318,237

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2023

15. FIXED ASSET INVESTMENTS

GROUP	Listed investments £	Unlisted investments £	Totals £
MARKET VALUE			
At 1 January 2023	10,797,401	-	10,797,401
Additions	149,258	1,756,222	1,905,480
Disposals	(7,372,228)	-	(7,372,228)
Revaluations	(666,503)	-	(666,503)
At 31 December 2023	<u>2,907,928</u>	<u>1,756,222</u>	<u>4,664,150</u>
NET BOOK VALUE			
At 31 December 2023	<u>2,907,928</u>	<u>1,756,222</u>	<u>4,664,150</u>
At 31 December 2022	<u>10,797,401</u>	<u>-</u>	<u>10,797,401</u>
CHARITY			
	Listed investments £	Unlisted investments £	Totals £
MARKET VALUE			
At 1 January 2023	1,611,462	14,176,581	15,788,043
Additions	149,255	28,503,595	28,652,850
Disposals	(204,305)	-	(204,305)
Revaluations	(270,107)	-	(270,107)
At 31 December 2023	<u>1,286,305</u>	<u>42,680,176</u>	<u>43,966,481</u>
NET BOOK VALUE			
At 31 December 2023	<u>1,286,305</u>	<u>42,680,176</u>	<u>43,966,481</u>
At 31 December 2022	<u>1,611,462</u>	<u>14,176,581</u>	<u>15,788,043</u>

Unlisted investments includes £1,756,222 in Nithio Holdings Inc, a US fintech startup that analyses credit risk to increase funding of distributed renewable energy in Africa.

Of the group's listed investment holding, the following investments make up greater than 5% of the group's total holding at the balance sheet date:

- Downing Renewables & Infrastructure Trust Plc	88%
- Greencoat UK Wind Plc	6%

At the balance sheet date, the charity's investments in the share capital of companies include the following:

Trigon Snacks Trading Ltd

Registered number: 08711597

Registered office: Atherton Road, Aintree, Liverpool. L9 7AQ.

Nature of business: Retail

Class of shares:	%
Ordinary	holding 100.00

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2023

15. FIXED ASSET INVESTMENTS (Continued)

Downing Sustainable Investment I Ltd

Registered number: 14019068

Registered office: 6th Floor St Magnus House, 3 Lower Thames Street, London. EC3R 6HD.

Nature of business: Investment management

	%
Class of shares:	holding
Ordinary	100.00

Scots Wind Property Ltd

Registered number: 15000210

Registered office: 6th Floor St Magnus House, 3 Lower Thames Street, London. EC3R 6HD.

Nature of business: Holding Company

	%
Class of shares:	holding
Ordinary	100.00

The share capital is 100% owned by Downing Sustainable Investment I Ltd.

Sustainable Land Acquisitions Ltd

Registered number: 14019068

Registered office: 6th Floor St Magnus House, 3 Lower Thames Street, London. EC3R 6HD.

Nature of business: Holding Company

	%
Class of shares:	holding
Ordinary	100.00

The share capital is 100% owned by Scots Wind Property Ltd.

Stronelairg Wind Estate Ltd

Registered number: 14019068

Registered office: 6th Floor St Magnus House, 3 Lower Thames Street, London. EC3R 6HD.

Nature of business: Investment company

	%
Class of shares:	holding
Ordinary	100.00

The share capital is 100% owned by Sustainable Land Acquisitions Ltd.

Stronelairg Wind Estate Ltd was acquired by Sustainable Land Acquisitions Ltd on 22nd September 2023. The company was purchased for £53,731,539. At the acquisition date the net assets were £3,022,705. The goodwill arising on acquisition is calculated below, and detailed in note 13.

Consideration	£	£
		53,731,539
Less net assets at acquisition:		
- Share capital	1	
- Retained earnings	3,022,704	
	<u>3,022,704</u>	
		(3,022,705)
		<u>50,708,834</u>

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued for the year ended 31 December 2023

16. INVESTMENT PROPERTY – GROUP AND CHARITY

	£
FAIR VALUE	
At 1 January 2023	21,840,000
Disposals	(660,000)
Revaluation	<u>5,660,000</u>
At 31 December 2023	<u>26,840,000</u>
NET BOOK VALUE	
At 31 December 2023	<u>26,840,000</u>
At 31 December 2022	<u>21,840,000</u>

The Trustees' have reviewed the valuation of the investment properties and have revalued one property which has changed materially in value

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	6,112,509	5,420,824	-	-
Prepayments and accrued income	205,727	143,520	67,693	31,780
Other debtors	<u>3,106,835</u>	<u>927,243</u>	<u>1,757,095</u>	<u>883,847</u>
	<u>9,425,071</u>	<u>6,491,587</u>	<u>1,824,788</u>	<u>915,627</u>

18. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Other debtors	<u>33,026,172</u>	<u>30,597,573</u>	<u>34,095,362</u>	<u>31,592,882</u>
	<u>33,026,172</u>	<u>30,597,573</u>	<u>34,095,362</u>	<u>31,592,882</u>

On 1 January 2021 a deed of novation was signed, transferring a loan owed by Crown Network Ltd, to Choithram International Foundation, to the Human Capability Foundation, a charity with trustees/directors in common. At the balance sheet date, Crown Network Ltd owed AED 22.7million (£4.8million), repayable in more than one year, with interest accruing at 1.75% over the Bank of England base rate. During the year interest accruing was £310,318 (2022: £153,654).

On 1 March 2022, a loan owed by NATCO Foods Ltd to T Choithram International S.A, was transferred to the Human Capability Foundation. At the balance sheet date, NATCO Foods Ltd owed £8.7m, repayable in more than one year, with interest accruing at 2.5% over the Bank of England base rate. During the year interest accruing was £600,274 (2022: £314,482).

On 1 March 2022, a loan owed by T Choithram & Sons (London) Ltd to T Choithram International S.A, was transferred to the Human Capability Foundation. During 2022, additional loans were transferred, and subsequently an additional loan of £1.9m was transferred in 2023. At the balance sheet date, the total outstanding was £19.5m, repayable in more than one year, with interest accruing at 2.5% over the Bank of England base rate. The interest accruing during the year was £1,331,554 (2022: £532,014)

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued for the year ended 31 December 2023

19. CURRENT ASSET INVESTMENTS

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Unlisted Investments	<u>2,400,000</u>	<u>-</u>	<u>2,400,000</u>	<u>-</u>
	<u>2,400,000</u>	<u>-</u>	<u>2,400,000</u>	<u>-</u>

HCF has invested in a renewable energy investment bond.

20. STOCKS

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Raw materials	2,192,605	2,577,482	-	-
Finished goods	<u>317,274</u>	<u>282,156</u>	<u>-</u>	<u>-</u>
	<u>2,509,879</u>	<u>2,859,638</u>	<u>-</u>	<u>-</u>

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	444,259	360,517	-	-
Social security and other taxes	62,997	59,207	-	-
VAT	722,926	1,070,477	60,641	348,747
Other creditors	9,793,699	8,180,809	10,329,611	16,500
Other loans	11,557,805	-	11,557,805	-
Accrued expenses	<u>164,444</u>	<u>131,342</u>	<u>13,500</u>	<u>8,558</u>
	<u>22,746,130</u>	<u>9,802,352</u>	<u>21,961,557</u>	<u>373,805</u>

22. CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Bank loans	<u>30,778,864</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>30,778,864</u>	<u>-</u>	<u>-</u>	<u>-</u>

Amounts falling due in more than five years:

	Group
	£
Repayable by instalments	
Bank loans more 5 yr by instal	<u>26,714,797</u>

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2023

23. SECURED DEBTS

The following secured debts are included within creditors:

	Group £
Bank loans	<u>30,778,864</u>

The bank loan relates to a facility from Scottish Widows Limited, with Lloyds Bank Plc as Security Trustee for the acquisition of Stronelaig Wind Estate Ltd by Sustainable Land Acquisitions Ltd in September 2023. The loan is an index linked term loan of £30,843,640 repayable over the period until 30 April 2042. The balance outstanding at the 31 December 2023 is £30,986,137. The amount shown in creditors is net of the arrangement fee of £207,273.

The interest rate on the loan in real terms is 2.64%. We note that the calculation is made up of a margin of 1.9% in addition to a compounded reference gilt rate (variable). The bank loan all-in rate is indexed linked. The loan is subject to securities and guarantees in the form of a debenture, share pledge and assignation of receivables.

24. MOVEMENT IN FUNDS

	At 1.1.23 £	Net movement in funds £	At 31.12.23 £
Unrestricted funds			
General fund	72,510,337	6,516,668	79,027,005
Revaluation Reserve	(623,696)	5,130,804	4,507,108
	<u>71,886,641</u>	<u>11,647,472</u>	<u>83,534,113</u>
TOTAL FUNDS			

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

	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Movement in funds £
Unrestricted funds				
General fund	36,398,755	(29,882,087)	-	6,516,668
Revaluation Reserve	-	-	5,130,804	5,130,804
	<u>36,398,755</u>	<u>(29,882,087)</u>	<u>5,130,804</u>	<u>11,647,472</u>
TOTAL FUNDS				

Comparatives for movement in funds

	At 1.1.22 £	Net movement in funds £	At 31.12.22 £
Unrestricted funds			
General fund	40,547,839	31,962,498	72,510,337
Revaluation Reserve	13,459	(637,155)	(623,696)
	<u>40,561,298</u>	<u>31,325,343</u>	<u>71,886,641</u>
TOTAL FUNDS			

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

	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Movement in funds £
Unrestricted funds				
General fund	56,929,434	(24,966,936)	-	31,962,498
Revaluation Reserve	-	-	(637,155)	(637,155)
	<u>56,929,434</u>	<u>(24,966,936)</u>	<u>(637,155)</u>	<u>31,325,343</u>
TOTAL FUNDS				

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2023

25. RELATED PARTY DISCLOSURES

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
The following amounts are included in the consolidated statement of financial activities:				
Entities with trustees/directors in common				
Income investment properties	800,000	800,000	1,005,000	1,005,000
Solar electricity	36,937	38,641	36,937	38,641
Sales of donated products	-	387	12,427	18,873
Interest	2,242,146	1,100,953	2,316,027	1,140,259
Donations	1,609,491	2,860,000	1,609,491	2,860,000
Donation of asset	1,927,376	28,028,214	1,927,376	28,028,214
	<u>(6,615,950)</u>	<u>(32,828,195)</u>	<u>(6,907,258)</u>	<u>(33,090,987)</u>
Entities with key management in common				
Donations	<u>320,000</u>	<u>840,000</u>	<u>320,000</u>	<u>840,000</u>
	<u>(320,000)</u>	<u>(840,000)</u>	<u>(320,000)</u>	<u>(840,000)</u>
Transactions with subsidiaries				
Donations received	<u>-</u>	<u>-</u>	<u>5,100,461</u>	<u>-</u>

The following amounts are included in the consolidated and charity balance sheet:

Entities with trustees/directors in common				
Loans owed to related parties	9,000,921	8,196,045	-	-
Loans owed by related parties	32,486,172	30,597,572	34,095,362	31,592,881
Rent owed by related parties	-	560,000	-	560,000
Sales	510,178	314,574	-	-
Purchases	24,020	26,027	-	-
Trade balance owed by related parties	104,151	54,600	-	-
	<u>42,125,442</u>	<u>39,748,818</u>	<u>-</u>	<u>-</u>
Subsidiary companies				
Loans owed to related parties	<u>-</u>	<u>-</u>	<u>(10,313,111)</u>	<u>-</u>
Close family members				
Loans owed to related parties	<u>(11,557,805)</u>	<u>-</u>	<u>(11,557,805)</u>	<u>-</u>

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2023

26. GRANTS

Total grants in 2023 approved by the Foundation were £1,618,519 (2022: £1,226,722).

These were made up as follows:

Institution	Amount £
Anjali	101,201
Synchronicity Earth	100,000
Mitra Technology Foundation	87,121
Autism Society West Bengal	72,119
reFrame Institute of Arts & Expression Private Ltd	59,149
Sappho For Equality	58,237
Charkha	56,163
Iswar Sankalpa	53,291
Disha Trust	52,068
Kolkata Sanved	51,703
Sound and Picture Archives for Research on Women	49,796
Tribal Health Initiative	48,674
Kislay	48,294
Kotra Adivasi Sansthan	40,959
Thoughtshop Foundation	40,735
Jeevika Development Society	40,424
LAYA	39,719
Social Action for Knowledge Building and Awareness Raising	36,815
Gramin Avam Samajik Vikas	35,192
Azad Foundation	29,801
iPartner India	29,330
Yakshi Resource and Creativity Centre	29,310
TARSHI	28,935
Rough Edges Arts & Media Private Ltd	28,842
Bal Umang Drishya Sansthan	26,540
Sama- Resource Group for Women	25,879
Navchetna Sarvangin Vikas Kendra	24,557
Jan Daksha Trust	24,216
Aajeevika Bureau Trust	23,776
Sampada Grameen Mahila Sanstha (SANGRAM)	23,457
Vatsalya Societies	22,435
Shishu Sarothi Centre for Rehabilitation	17,600
Vishakha Mahila Shiksha Avam Shoodh	17,062
Grameen Shiksha Kendra Samiti	14,801
Patang	14,630
Synergy Sansthan Samiti	14,616
Other international grantees	151,072

A full list of grantees can be made available upon request from the charity.

Accounts

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

HUMAN CAPABILITY FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Berringers LLP
Chartered Accountants
and Statutory Auditors
Lygon House
50 London Road
Bromley
Kent
BR1 3RA

HUMAN CAPABILITY FOUNDATION

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HUMAN CAPABILITY FOUNDATION

REPORT OF THE TRUSTEES for the year ended 31 December 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the audited consolidated financial statements of the charity for the year ended 31 December 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

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

- Women & girls' rights and gender equity
- Sexual and reproductive health rights
- Rights of economically and socially marginalised people
- Mental health and disability rights
- Labour and migration rights
- Environmental protection and climate change mitigation
- Arts and Cultural Expression

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

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

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

The short-term aims of the HCF are to continue supporting organisations and identify new organisations who are working at the grassroots level in the most marginalised communities. The HCF wishes to remain an agile organisation that can respond quickly to emerging needs and requirements. Our medium-term aim is to ensure that we provide space for our grantees to innovate within their work, trying new initiatives and ideas. A long-term goal is to significantly increase our annual level of funding to capable organisations. This will increase the capabilities, rights and quality of life for communities that we seek to help.

Public benefit

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

Going concern

After reviewing the group's forecasts and projections, the trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

HUMAN CAPABILITY FOUNDATION

REPORT OF THE TRUSTEES for the year ended 31 December 2022

STRATEGIC REPORT

Achievement and performance

Charitable activities

This year HCF have continued to support a significant number of NGO's, with grants approved during the year totalling £1,226,722 (2021: £601,873). The grants have been distributed in accordance with the charitable objectives as below:

	2022	2021
	£	£
- Women and girls' rights and empowerment	64,376	21,051
- Sexual and reproductive health rights	154,688	82,343
- Gender equality	-	109,500
- Rights of economically and socially marginalised groups	17,982	4,909
- Mental health and disability rights	208,603	99,321
- Labour & migration rights	170,214	78,896
- Environmental protection and climate change mitigation	198,042	136,291
- Youth education	185,405	24,390
- Arts & cultural expression	161,934	16,900
- Media & journalism	33,978	-
- Emergency relief	31,500	28,272
	<u>1,226,722</u>	<u>601,873</u>

The HCF increased our grant expenditure which is an on-going aim. We identified new grantees who received initial funding in 2022. HCF continued its support to the majority of the organisations we had supported in the previous year. At the end of 2022 we launched the Dream Project Fund which invites existing grantees to apply for additional funding earmarked for a 'dream' project. Their proposal needs to be inventive and different from what they are currently doing. The idea is to encourage out-of-the-box thinking. We received very exciting proposals and funds will be released in 2023.

We also commissioned scoping studies on particular areas of focus, such as climate change mitigation, to help us improve our funding strategies. We received very positive feedback from grantees who attended our in-person grantee conference which was designed to foster learning, cooperation and inspiration. Our grantees have largely been able to undertake their planned activities. We undertook an evaluation of one of our grantee's programmes and the evaluation was positive.

We are happy to be inviting grant proposals in people's local languages and funding the cost of translations into English so that we can reach grantees that have previously missed out on funding from other donors because of a lack of fluency in English. This fits with our aim of reaching marginalised communities.

We have increased our internal capacity in order to achieve our long-term goal of increasing our grant expenditure. We have brought on one more team member and increased the number of days each member works.

With high global inflation we envisage an increased cost for our grantees to undertake their activities, including increased staff and rental costs. We anticipate annual organisational budgets to increase and therefore the average grant size will increase in the next couple of years.

Trustees' duty to promote the success of the Charity – Section 172 statement

The trustees are the directors of the Human Capability Foundation and have a duty to promote the success of the Charity and, in doing so, are required by section 172(1) of the Companies Act 2006 to have regard to various specific factors, including:

- the likely consequences of decisions in the long term
- the need to foster the Charity's relationships with third-party stakeholders
- the impact of the Charity's operations on the community and environment
- the desirability of the Charity maintaining a reputation for high standard of business conduct.

HUMAN CAPABILITY FOUNDATION

REPORT OF THE TRUSTEES for the year ended 31 December 2022

STRATEGIC REPORT

Achievement and performance

Financial Review

Total grants approved by the foundation in 2022 were £1,226,722 (2021: £601,873). Total donations received by the Charity in 2022 amounted to £31,768,873 (2021: £6,973,640).

The trustees believe that the valuation of the investment properties as at 31 December 2022 are not materially different to their market values. The trustees are not qualified surveyors but believe that this valuation method represents a sufficiently accurate estimation without the need to spend any of the charity's funds on professional valuations.

During the year rental income received from the properties owned by HCF amounted to £1,235,579 (2021: £1,235,579). These properties provide on-going monthly sources of income from the rent.

The HCF holds reserves because we plan to be a long-term funder in India providing small-medium-sized grants to organisations. At the year-end total reserves held were £75,277,550 (2020: £41,810,303). We hold reserves to ensure that we can commit to multi-year funding for grantees.

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

HCF aims to be a long-term funder in processes of change that take generations. Therefore, it needs to ensure it has the financial resources to make grants for several decades. Trustees consider that there are three main financial risks that could jeopardise that aim:

- HCF has been dependent on a small number of business donors. The continuation of these donations will be limited by the ability of those businesses to sustain future profitability, and so is far from guaranteed.
- Existing reserves can be depleted by inflation.
- Investments can suffer losses.

The first two of the above risks necessitate an investment strategy seeking to earn returns above inflation. The third identified risk motivates HCF to engage in a moderately conservative investment strategy.

HCF's investment policy includes the following guidelines:

- Prioritise holding assets for the long term, so as to minimise transaction costs.
- Combine investments that provide a fixed income with others that provide a variable income so as to exploit opportunities for higher overall returns while ensuring sufficiently stable returns to meet our grant-making objectives.
- Within the fixed income category, prioritise those investments that provide a higher rate of return relative to their risk profile.
- Rather than pursuing excessive diversification, HCF should invest in a smaller number of asset categories where it can develop advantages of specialisation.
- Prioritise investing in assets that provide social and/or environmental benefits, particularly in renewable energy.
- Seek to make a series of smaller investments in assets that have a higher risk profile but also have the potential to generate both significant financial returns and social or environmental benefits, such as poverty relief, and contributing to the UN Sustainable Development Goals.

HCF's trading subsidiary Trigon Snacks Trading Ltd had a disappointing year, making a net loss before taxation of £1,337,174. The profitability of the nut roasting industry as a whole in the UK has been very weak in recent years. Notwithstanding this poor year, HCF believes that its investment in Trigon continues to grow in value as it increases its market share in a consolidating market. Commercial sensitivities preclude a fulsome discussion of the reasons for optimism regarding the prospects for future profitability of this enterprise.

During the year, HCF received donations from T. Choithram International S.A. consisting of the assignment of the benefit of loans made by T. Choithram International S.A. to Trigon Snacks Trading Ltd, Natco Foods Ltd, and T. Choithram & Sons (London) Ltd. The receipt of these donations is in the interest of HCF because the interest on these loans will provide a stable income for the next 5 years. HCF considers the loans to be secure because the net asset position and average profitability of the debtors is positive. Trustees of HCF are also closely involved in the management of the three debtor businesses, and are thus able to gain additional confidence that the businesses are being managed prudently.

HUMAN CAPABILITY FOUNDATION

REPORT OF THE TRUSTEES for the year ended 31 December 2022

HCF completed negotiations with Downing LLP for the creation of a trading subsidiary of the HCF called 'Downing Sustainable Investment I Ltd' (DSII), to be managed by HCF and Downing LLP, which will invest in renewable energy. We have judged that a renewable energy portfolio is in line with our charity's ethics as the funds are used to create green energy resources. This fund will invest in assets that provide steady income which is largely inflation-hedged, thus satisfying our investment objectives and the ameliorating the risks identified. HCF has committed to invest £30m into DSII should appropriate investment opportunities be found in the next two years. HCF has appointed an independent non-executive director to the board of DSII for a term of one year. This position will be reviewed after one year. At the end of the year, operations within DSII are proceeding as planned. Although these investments will provide environmental benefits by increasing the generation of renewable energy, we consider those environmental benefits to be secondary to the primary purpose of providing a financial return to fund future charitable activities.

Post year end, in May 2023, HCF purchased 8.627% of the share capital of Nithio Holdings Inc. for USD 2,181,224 following 18 months of discussions and negotiations with the Nithio board. This is a relatively risky investment utilising a small portion of HCF's reserves. Nithio is a machine-learning database driven platform for climate finance, to universalise electricity access in Africa. This investment meets our poverty alleviation goals through getting off-grid households essential electricity. It involves collaboration with development finance institutions from several continents, as well as co-investing with other philanthropic organisations. This is an early-stage investment in a key platform for a market that will have to grow hugely if the UN Sustainable Development Goals are to be met. Therefore it has the potential to deliver considerable financial returns, and conversely also has the potential to be a financial failure as emerging technologies often prove to be for early entrants. HCF has assessed that since it is a relatively small investment relative to our net assets, a total loss of this investment would not jeopardise HCF's ability to continue to operate according to our overall plans. We consider the purpose of this investment to be both to fulfil our charitable objectives directly, as well as to provide a financial return to fund future charitable activities.

Future plans

In 2023 we will be continuing to fund within our focus areas. We will increase the number of in-person grantee meetings and conferences we do. We are engaging regularly with fellow donors to foster cooperation and information sharing.

We will be launching an internal Management Information System for our team to use. This will improve our reporting capabilities as well as improve our administrative efficiency. We also envisage taking on an additional team member in India to facilitate the larger grant expenditure.

Planned activities for 2023 beyond our regular grant-making activities:

- Increased grant expenditure
- Host a donor meeting
- Increased grant evaluations
- Increased site visits to grantees
- Grantee capacity-building workshops around legal compliance, gender and sexuality and prevention of sexual harassment in the workplace, staff safety in the field, strategic communication.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

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

Luke Pagarani

Davinder Pagarani

Natasha Pagarani

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

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

HUMAN CAPABILITY FOUNDATION

REPORT OF THE TRUSTEES for the year ended 31 December 2022

In 2022, the HCF received a total of £31,729,451 in donations (see note 3), made up of the following; £361,100 (2021: £2,901,813) from NATCO Foods Ltd, £840,000 (2021: £nil) from Giant Exports Services Ltd as well as, receiving donations from T Choithram International SA relating to loans owed by T Choithram & Sons (London) Ltd of £19,299,329, NATCO Foods Ltd of £7,772,282 and from Trigon Snacks Trading Ltd of £956,603, all companies with mutual directors. A donation of £2.5m was also received from T Choithram International SA, a connected party due to mutual control.

T.Choithram & Sons (London) Ltd is the parent company of Natco Foods Limited, of which Luke Pagarani is Managing Director, Natasha Pagarani is also employed and Davinder Pagarani is engaged as a consultant. Natco Foods Limited is a company based in the UK whose core business is the sourcing, processing and selling of foods from around the world to consumers primarily in the UK. It is the intention of T.Choithram & Sons (London) Ltd and its subsidiaries to continue financial support of the HCF indefinitely.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

07715471 (England and Wales)

Registered Charity number

1145084

Registered office

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

Trustees

Miss N Pagarani
L Pagarani
D Pagarani

Company Secretary

Miss N Pagarani

Auditors

Berringers LLP
Chartered Accountants and Statutory Auditors
Lygon House
50 London Road
Bromley
Kent
BR1 3RA

HUMAN CAPABILITY FOUNDATION

REPORT OF THE TRUSTEES for the year ended 31 December 2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Berringers LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a Strategic report, approved by order of the board of trustees, as the company directors, on 27 September 2023 and signed on the board's behalf by:

Miss N Pagarani - Trustee

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

Opinion

We have audited the consolidated financial statements of Human Capability Foundation (the parent 'charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated statement of financial activities, the group and parent charitable company Balance sheet, the consolidated cash flow statement and consolidated notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2022 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the consolidated financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Report of the independent auditors thereon.

Our opinion on the consolidated 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 consolidated 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the trustees for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements; and
- the Report of the trustees has been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the trustees.

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

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

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities, the trustees (who are also the directors of the parent 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 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.

Our responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our procedures to respond to risk include the following:

- reviewing the financial statement disclosures and testing to supporting documentation;
- performing analytical procedures to identify any unusual or unexpected areas that may indicate risks of material misstatement due to fraud or error;
- addressing the risk of fraud and error through management override of controls, testing the appropriateness of journals, assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

Use of our report

This report is made solely to the parent 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 parent 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 parent charitable company and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Allan BSocSc FCA (Senior Statutory Auditor)
for and on behalf of Berringers LLP
Chartered Accountants
and Statutory Auditors
Lygon House
50 London Road
Bromley
Kent
BR1 3RA

Date: 27 September 2023

HUMAN CAPABILITY FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) for the year ended 31 December 2022

		2022 Unrestricted fund £	2021 Total funds £
	Notes		
INCOME AND ENDOWMENTS FROM			
Donations and legacies	3	31,729,451	6,973,640
Other trading activities			
Sales of donated products		-	2,010
Commercial trading operations	4	22,906,462	21,484,029
Investment income	5	2,293,521	1,321,709
Total		56,929,434	29,781,388
 EXPENDITURE ON			
Costs of raising funds			
Commercial trading operations	4	23,898,407	21,222,415
Charitable activities			
Grants	6	1,226,722	601,873
Other	8	(158,193)	155,326
Total		24,966,936	21,979,614
 Net (losses)/gains on investments			
Unrealised gains/(losses) on fixed asset investments	15	(738,520)	13,459
Realised gains/(losses) on investment property	16	101,365	-
NET INCOME		31,325,343	7,815,233
 NET MOVEMENT IN FUNDS		31,325,343	7,815,233
 RECONCILIATION OF FUNDS			
Total funds brought forward	23	40,561,298	32,746,065
 TOTAL FUNDS CARRIED FORWARD		71,886,641	40,561,298

The consolidated statement of financial activities includes all gains and losses recognised in the year. All income and expenditure has arisen from continuing activities of the group. The notes to the accounts are shown on pages 13 to 26.

The notes form part of these financial statements.

HUMAN CAPABILITY FOUNDATION
CHARITY AND CONSOLIDATED BALANCE SHEET
31 December 2022

		Group		Charity	
		2022	2021	2022	2021
		Unrestricted	Unrestricted	Unrestricted	Unrestricted
		fund	fund	fund	fund
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	14	2,388,484	2,325,117	318,237	359,193
Investments					
Investments	15	10,797,401	398,884	15,788,043	4,439,465
Investment property	16	21,840,000	22,680,000	21,840,000	22,680,000
		35,025,885	25,404,001	37,946,280	27,478,658
CURRENT ASSETS					
Debtors: amounts falling due within one year	17	6,491,587	3,916,670	915,627	465,354
Debtors: amounts falling due after more than one year	18	30,597,573	4,134,927	31,592,882	4,134,927
Stocks	20	2,859,638	3,001,422	-	-
Investments	19	-	4,245,346	-	4,245,346
Cash at bank		6,714,310	6,571,026	5,203,217	5,602,628
		46,663,108	21,869,391	37,711,726	14,448,255
CREDITORS					
Amounts falling due within one year	21	(9,802,352)	(6,635,445)	(373,805)	(116,610)
NET CURRENT ASSETS		36,860,756	15,233,946	37,337,921	14,331,645
TOTAL ASSETS LESS CURRENT LIABILITIES		71,886,641	40,637,947	75,284,201	41,810,303
Provision for liabilities	22	-	(76,649)	-	-
NET ASSETS		71,886,641	40,561,298	75,284,201	41,810,303
FUNDS					
Unrestricted funds	23	71,886,641	40,561,298	75,284,201	41,810,303
TOTAL FUNDS		71,886,641	40,561,298	75,284,201	41,810,303

The consolidated financial statements were approved by the Board of Trustees and authorised for issue on 27 September 2023 and were signed on its behalf by:

N Pagarani - Trustee

The notes form part of these financial statements.

HUMAN CAPABILITY FOUNDATION

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 December 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	4,230,046	2,783,352
Interest paid		<u>-</u>	<u>(15,053)</u>
Net cash (used in)/provided by operating activities		<u>4,230,046</u>	<u>2,768,299</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(429,957)	(274,956)
Sale of investment property		941,365	-
Purchase of fixed asset investments		(11,137,037)	(155,425)
Rents and other income from investments		1,069,220	1,235,579
Sale of current asset investments		4,245,346	600,000
Interest received		1,144,000	261,625
Dividends received		<u>80,301</u>	<u>6,725</u>
Net cash used in investing activities		<u>(4,086,762)</u>	<u>1,673,548</u>
Change in cash and cash equivalents in the reporting period		143,284	4,441,847
Cash and cash equivalents at the beginning of the reporting period		<u>6,571,026</u>	<u>2,129,179</u>
Cash and cash equivalents at the end of the reporting period		<u><u>6,714,310</u></u>	<u><u>6,571,026</u></u>

The notes form part of these financial statements.

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 December 2022

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

	2022	2021
	£	£
Net income for the reporting period (as per the Statement of financial activities)	31,325,343	7,815,233
Adjustments for:		
Depreciation charges	366,590	377,356
Finance costs	-	15,053
Interest received	(1,144,000)	(261,625)
Dividends received	(80,301)	(6,725)
Rent and other income from investments	(1,069,220)	(1,235,579)
Donated asset	(28,028,214)	(4,058,211)
Losses/(Gains) on investments	738,520	(13,459)
(Gains) on sale of investment property	(101,365)	-
Gain/loss on foreign exchange	(489,118)	-
(Increase)/decrease in stocks	141,784	(362,141)
Decrease/(increase) in debtors	(375,876)	(126,056)
Increase in creditors	2,945,903	639,506
Net cash (used in)/provided by operations	4,230,046	2,783,352

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.22	Cash flow	At 31.12.22
	£	£	£
Net cash			
Cash at bank	6,571,026	143,284	6,714,310
	<u>6,571,026</u>	<u>143,284</u>	<u>6,714,310</u>
Liquid resources			
Current assets investments	4,245,346	(4,245,346)	-
	<u>4,245,346</u>	<u>(4,245,346)</u>	<u>-</u>
	<u>10,816,372</u>	<u>(4,102,062)</u>	<u>6,714,310</u>

The notes form part of these financial statements.

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2022

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the parent charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets. The presentational currency of the group financial statements is the Pound Sterling (£).

Preparation of the accounts on a going concern basis

After reviewing the group's forecasts and projections, the trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

Consolidated financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary Trigon Snacks Trading Ltd on a line-by-line basis. Subsidiaries are fully consolidated from the date on which control is transferred to the group. Prior to this, Trigon Snacks Trading Ltd was accounted for as an associate. Associates are all entities over which the group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting.

A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by Companies Act 2006, s. 408.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates.

The trustees and directors have made assumptions regarding the recoverability of trade debtors and have provided accordingly in the subsidiary financial statements.

Stock valuation is reviewed at the end of the year, and key assumptions are made in relation to net realisable values and obsolete or slow-moving stocks. Where necessary the directors include a provision against the stock value for Trigon Snacks Trading Ltd.

The trustees consider the useful economic life of fixed assets and estimate depreciation accordingly. Depreciation rates are noted in the accounting policies and the depreciation totals for the year are included in note 14.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. The following specific policies are applied to particular categories of income:

- Income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- Rental income from investment property², and leased out assets are recognised when receipt is probable and entitlement is established. Solar electricity income relates to electricity generated by solar panels owed by HCF and sold to related parties per note 24. All income for the year excludes VAT.
- Other trading activities relate to the realised sale of food products and consumer goods donated by related parties at nil cost as per note 24. No VAT is charged on these products and minimal levels of stock are held at the year end.

Commercial trading income is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Turnover is derived from the sale of goods and is recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer, the price is determinable and the collection of the amount due is reasonably assured.

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2022

2. ACCOUNTING POLICIES - continued

Expenditure

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

Grants

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

Other Expenditure

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

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

Within the subsidiary company depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Plant and machinery	- 15 - 25% on net book value
Fixtures and fittings	- 15 - 25% on net book value
Office equipment	- 25% of the net book value

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

The trustees and directors have reviewed the carrying value of the tangible fixed assets and no impairment is deemed necessary.

Bank Charges

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

Allocation and apportionment of costs

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

Investment property

Investment properties include donated properties at fair value and are shown at most recent valuation. Any aggregate surplus or deficit arising from changes in valuation is recognised in the Statement of financial activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 December 2022

2. ACCOUNTING POLICIES - continued**Taxation**

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

In the subsidiary company current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- the group is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised. Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference. With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the company has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Fund accounting

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

Current asset investments

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

In 2019 and 2020, HCF invested in a renewable energy bond, that is in line with the charities ethics and objective of supporting worthy causes. The bond was redeemed in 2022 to allow for other investments to be pursued.

Fixed asset investments

In 2020, HCF invested in Downing Renewables & Infrastructure Trust PLC (DORE) which is in line with the charities ethics as it is designed to deliver stable and sustainable returns by investing in a diversified portfolio of hydro, solar, wind and other infrastructure assets. In 2022, HCF increased its investment in DORE, and invested in Greencoat UK Wind Plc and Next Energy Solar Fund Ltd.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is calculated as follows:-

Raw materials - Cost of purchase on first in, first out basis.

Work in progress and finished goods - Cost of raw materials and labour together with attributable overheads.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2022

2. ACCOUNTING POLICIES - continued

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

The company provides for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

Derivative financial instruments

Derivative financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in profit or loss. Outstanding derivatives at reporting date are included under the appropriate format heading depending on the nature of the derivative.

3. DONATIONS AND LEGACIES

	2022	2021
	£	£
Donations	<u>31,729,451</u>	<u>6,973,640</u>

For full breakdown of donations please see the Trustees report on page 4.

4. GROUP UNDERTAKINGS

The consolidated financial statements include the results of the below group undertakings; Trigon Snacks Trading Ltd, which became a subsidiary on 31 December 2020 when the remaining 90% of the share capital was donated to the charity, and Downing Sustainable Investment I Ltd, which was set up in April 2022, with HCF being the 100% shareholder.

	Trigon Snacks Trading Ltd	Downing Sustainable Investment I Ltd
	Year ended 31 December 2022	Period ended 31 December 2022
	£	£
Turnover	22,906,462	-
Company expenditure	24,197,732	119,016
Profit for the period	<u>(1,291,270)</u>	<u>(119,016)</u>
Income from fixed asset investments	-	45,045
Interest payable and similar expenses	45,904	-
Gain/loss on revaluation of investments	-	(814,059)
Loss)/profit before taxation	<u>(1,337,174)</u>	<u>(888,030)</u>
Tax on (loss)/profit	<u>(76,649)</u>	<u>-</u>
(Loss)/profit for the financial year	<u><u>(1,260,525)</u></u>	<u><u>(888,030)</u></u>

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2022

5. INVESTMENT INCOME

	2022	2021
	£	£
Rents received	1,030,579	1,030,579
Solar electricity income	38,641	29,855
Other fixed asset invest - FII	80,301	6,725
Deposit account interest	3,624	2,682
Loan interest	1,100,956	75,143
Bond interest	39,420	176,725
	<u>2,293,521</u>	<u>1,321,709</u>

6. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (see note 7)
	£
Grants	<u>1,226,722</u>

7. GRANTS PAYABLE

The total grants paid to institutions during the year was as follows (for details please see note 26):

2022	2021
£	£
<u>1,226,722</u>	<u>601,873</u>

8. SUPPORT COSTS

	Finance £	Other £	Totals £
Other resources expended	<u>(489,118)</u>	<u>289,969</u>	<u>(199,149)</u>

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

Cost type	2022 £	2021 £
Finance		
Foreign exchange losses	(489,118)	26,353
Other		
Rates & water	13,980	15,780
Insurance	-	4,099
Light & heat	921	-
Website costs	504	-
Audit and accountancy	10,008	8,450
Legal and professional fees	164,806	30,655
Bank charges	1,142	1,421
Consultancy & management fees	97,028	26,732
Repairs & renewals	-	880
Travel & subsistence	1,580	-
	<u>289,969</u>	<u>88,017</u>

Depreciation charges in the parent charity of £40,956 (2021: £40,956) are included in other resources expended.

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2022

9. NET INCOME/(EXPENDITURE)

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

	2022	2021
	£	£
Auditors remuneration - parent charity	4,500	2,200
Depreciation - owned assets - parent charity	40,956	40,956
Expenditure charged in subsidiary companies:		
Depreciation - owned assets	325,634	336,400
Auditors' remuneration - audit services	10,938	8,350
Auditors' remuneration - non-audit services	9,187	8,350
Operating lease rentals - plant & machinery	5,078	4,982
Stock recognised as an expense during the year	17,613,343	14,937,499
	<u>18,009,636</u>	<u>15,338,737</u>

10. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	3,482,901	3,349,674
Social security costs	269,215	234,295
Other pensions costs	96,113	95,536
	<u>3,848,229</u>	<u>3,679,505</u>
	2022	2021
	£	£
Directors' remuneration	-	-
	<u>-</u>	<u>-</u>

Staff costs relates to employees and directors of the trading subsidiary.

11. AVERAGE NUMBER OF EMPLOYEES

	2022	2021
Production	115	84
Warehouse	7	6
Sales & administration	28	28
	<u>150</u>	<u>118</u>

Average number of employees relates to employees of the trading subsidiary.

There are no employees of the parent charity who received emoluments of more than £60,000.

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2022 nor for the year ended 31 December 2021.

Trustees' expenses

One trustee was reimbursed for their expenses (£504) during the year ended 31 December 2022 (2021:£nil).

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2022

13. COMPARATIVES FOR THE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Total funds £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	6,973,640
Other trading activities	
Sales of donated products	2,010
Commercial trading operations	21,484,029
Investment income	<u>1,321,709</u>
Total	29,781,388
EXPENDITURE ON	
Costs of raising funds	
Commercial trading operations	21,222,415
Charitable activities	
Grants	601,873
Other	<u>155,326</u>
Total	21,979,614
Net gains on investments	<u>13,459</u>
NET INCOME	7,815,233
RECONCILIATION OF FUNDS	
Total funds brought forward	<u>32,746,065</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>40,561,298</u></u>

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued for the year ended 31 December 2022

14. TANGIBLE FIXED ASSETS

GROUP

	Plant and Machinery £	Fixtures and Fittings £	Motor Vehicles £	Office Equipment £	Totals £
COST					
At 1 January 2022	3,966,123	341,862	16,495	120,783	4,445,263
Additions	411,549	8,313	-	10,095	429,957
At 31 December 2022	<u>4,377,672</u>	<u>350,175</u>	<u>16,495</u>	<u>130,878</u>	<u>4,875,220</u>
DEPRECIATION					
At 1 January 2022	1,855,565	169,486	11,602	83,493	2,120,146
Charge for year	327,193	27,055	1,223	11,119	366,590
At 31 December 2022	<u>2,182,758</u>	<u>196,541</u>	<u>12,825</u>	<u>94,612</u>	<u>2,486,736</u>
NET BOOK VALUE					
At 31 December 2022	<u>2,194,914</u>	<u>153,634</u>	<u>3,670</u>	<u>36,266</u>	<u>2,388,484</u>
At 31 December 2021	<u>2,110,558</u>	<u>172,376</u>	<u>4,893</u>	<u>37,290</u>	<u>2,325,117</u>

CHARITY

	Plant and Machinery £
COST	
At 1 January 2022 and 31 December 2022	<u>530,395</u>
DEPRECIATION	
At 1 January 2022	171,202
Charge for year	40,956
At 31 December 2022	<u>212,158</u>
NET BOOK VALUE	
At 31 December 2022	<u>318,237</u>
At 31 December 2021	<u>359,193</u>

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2022

15. FIXED ASSET INVESTMENTS

GROUP	Listed investments £	Unlisted investments £	Totals £
MARKET VALUE			
At 1 January 2022	398,884	-	398,884
Additions	11,137,037	-	11,137,037
Revaluations	(738,520)	-	(738,520)
At 31 December 2022	<u>10,797,401</u>	<u>-</u>	<u>10,797,401</u>
NET BOOK VALUE			
At 31 December 2022	<u>10,797,401</u>	<u>-</u>	<u>10,797,401</u>
At 31 December 2021	<u>398,884</u>	<u>-</u>	<u>398,884</u>
CHARITY			
	Listed investments £	Unlisted investments £	Totals £
MARKET VALUE			
At 1 January 2022	398,884	4,040,581	4,439,465
Additions	1,137,039	10,136,000	11,273,039
Revaluations	75,539	-	75,539
At 31 December 2022	<u>1,611,462</u>	<u>14,176,581</u>	<u>15,788,043</u>
NET BOOK VALUE			
At 31 December 2022	<u>1,611,462</u>	<u>14,176,581</u>	<u>15,788,043</u>
At 31 December 2021	<u>398,884</u>	<u>4,040,581</u>	<u>4,439,465</u>

There were no investments outside of the UK.

Of the group's listed investment holding, the following investments make up greater than 5% of the group's total holding at the balance sheet date:

- Downing Renewables & Infrastructure Trust Plc	30%
- VT Downing Listed Infrastructure Inc A GBP	66%

At the balance sheet date, the charity's investments in the share capital of companies include the following:

Trigon Snacks Trading Ltd

Registered number: 08711597

Registered office: Atherton Road, Aintree, Liverpool. L9 7AQ.

Nature of business: Retail

	%
Class of shares:	holding
Ordinary	100.00

Downing Sustainable Investment I Ltd

Registered number: 14019068

Registered office: 6th Floor St Magnus House, 3 Lower Thames Street, London. EC3R 6HD.

Nature of business: Investment management

	%
Class of shares:	holding
Ordinary	100.00

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2022

16. INVESTMENT PROPERTY – GROUP AND CHARITY

	£
FAIR VALUE	
At 1 January 2022	22,680,000
Disposals	(840,000)
	<u>21,840,000</u>
At 31 December 2022	<u>21,840,000</u>
NET BOOK VALUE	
At 31 December 2022	<u>21,840,000</u>
At 31 December 2021	<u>22,680,000</u>

The valuations for all properties have not, in the Trustee's opinion, changed in value materially since the last valuations were carried out.

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	5,420,824	3,359,316	-	-
Prepayments	143,520	107,495	31,780	15,495
Other debtors	<u>927,243</u>	<u>449,859</u>	<u>883,847</u>	<u>449,859</u>
	<u>6,491,587</u>	<u>3,916,670</u>	<u>915,627</u>	<u>465,354</u>

18. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Other debtors	<u>30,597,573</u>	<u>4,134,927</u>	<u>31,592,882</u>	<u>4,134,927</u>
	<u>30,597,573</u>	<u>4,134,927</u>	<u>31,592,882</u>	<u>4,134,927</u>

On 1 January 2021 a deed of novation was signed, transferring a loan owed by Crown Network Ltd, to Choithram International Foundation, to the Human Capability Foundation, a charity with trustees/directors in common. At the balance sheet date, Crown Network Ltd owed AED 21.2million (£4.7million), repayable in more than one year, with interest accruing at 1.75% over the Bank of England base rate. During the year interest accruing was £153,654 (2021: £75,143). Exchange rate gains on this loan during the year were £489,118.

On 1 March 2022, a loan owed by NATCO Foods Ltd to T Choithram International S.A, was transferred to the Human Capability Foundation. At the balance sheet date, NATCO Foods Ltd owed £8.1m, repayable in more than one year, with interest accruing at 2.5% over the Bank of England base rate. During the year interest accruing was £314,482.

On 1 March 2022, a loan owed by T Choithram & Sons (London) Ltd to T Choithram International S.A, was transferred to the Human Capability Foundation. At the balance sheet date, T Choithram & Sons (London) Ltd owed £13.7m, repayable in more than one year, with interest accruing at 2.5% over the Bank of England base rate. During the year interest accruing was £532,014. During 2022, additional loans were transferred, with an additional £4.1m outstanding at the balance sheet date, repayable in more than one year, with interest accruing at 2.5% over the Bank of England base rate. The interest accruing during the year was £100,806.

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued for the year ended 31 December 2022

19. CURRENT ASSET INVESTMENTS

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Unlisted Investments	-	4,245,346	-	4,245,346
	<u>-</u>	<u>4,245,346</u>	<u>-</u>	<u>4,245,346</u>

In 2022, HCF had investments of £nil (2021: £4,245,346) in a regular access renewable energy investment bond. These were redeemed in 2022.

20. STOCKS

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Raw materials	2,577,482	2,302,783	-	-
Finished goods	<u>282,156</u>	<u>698,639</u>	<u>-</u>	<u>-</u>
	<u>2,859,638</u>	<u>3,001,422</u>	<u>-</u>	<u>-</u>

21. CREDITORS

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	360,517	465,741	-	-
Social security and other taxes	59,207	55,872	-	-
VAT	1,070,477	665,722	348,747	91,660
Other creditors	8,180,809	5,312,367	16,500	16,500
Accrued expenses	<u>131,342</u>	<u>135,743</u>	<u>8,558</u>	<u>8,450</u>
	<u>9,802,352</u>	<u>6,635,445</u>	<u>373,805</u>	<u>116,610</u>

22. PROVISIONS FOR LIABILITIES

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Deferred taxation	<u>-</u>	<u>76,649</u>	<u>-</u>	<u>-</u>

Group

	Deferred tax
	£
Balance at 1 January 2022	76,649
Credit to trading subsidiary's statement of comprehensive income	(76,649)
Balance at 31 December 2022	<u>-</u>

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2022

23. MOVEMENT IN FUNDS

	At 1.1.22 £	Net movement in funds £	At 31.12.22 £
Unrestricted funds			
General fund	40,547,839	32,063,863	72,611,702
Revaluation Reserve	13,459	(738,520)	(725,061)
TOTAL FUNDS	40,561,298	31,325,343	71,886,641

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

	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Movement in funds £
Unrestricted funds				
General fund	56,929,434	(24,966,936)	-	31,962,498
Revaluation Reserve	-	-	(637,155)	(637,155)
TOTAL FUNDS	56,929,434	(24,966,936)	(637,155)	31,325,343

Comparatives for movement in funds

	At 1.1.21 £	Net movement in funds £	At 31.12.22 £
Unrestricted funds			
General fund	32,746,065	7,801,774	40,547,839
Revaluation Reserve	-	13,459	13,459
TOTAL FUNDS	32,746,065	7,815,233	40,561,298

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

	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Movement in funds £
Unrestricted funds				
General fund	29,781,388	(21,979,614)	-	7,801,774
Revaluation Reserve	-	-	13,459	13,459
TOTAL FUNDS	29,781,388	(21,979,614)	13,459	7,815,233

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2022

24. RELATED PARTY DISCLOSURES

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
The following amounts are included in the consolidated statement of financial activities:				
Entities with trustees/directors in common				
Income investment properties	800,000	800,000	1,005,000	1,005,000
Solar electricity	38,641	29,855	38,641	29,855
Sales of donated products	387	698	18,873	5,064
Interest	1,100,953	75,143	1,140,259	82,218
Donations	2,860,000	2,901,813	2,860,000	2,901,813
Donation of asset	28,028,214	4,134,927	28,028,214	4,134,927
	<u>(32,828,195)</u>	<u>(7,942,436)</u>	<u>(33,090,987)</u>	<u>(8,158,877)</u>
Entities with key management in common				
Donations	840,000	-	840,000	-
	<u>(840,000)</u>	<u>-</u>	<u>(840,000)</u>	<u>-</u>

The following amounts are included in the consolidated and charity balance sheet:

Entities with trustees/directors in common				
Loans owed to related parties	8,196,045	5,295,867	-	-
Loans owed by related parties	30,597,572	4,134,927	31,592,881	4,134,927
Rent owed by related parties	560,000	80,000	560,000	80,000
Sales	314,574	383,166	-	-
Purchases	26,027	20,313	-	-
Trade balance owed by related parties	54,600	26,636	-	-
	<u>39,748,818</u>	<u>9,940,909</u>	<u>-</u>	<u>-</u>

25. POST BALANCE SHEET EVENTS

At the date of finalising these accounts in September 2023, HCF was in the last stages of completing an investment of c. £23m through DSII into a Scottish wind farm, which is projected to provide a healthy, stable income for 18 years.

In May 2023, HCF invested \$2,181,224 USD in the equity of Nithio Holdings Inc. This is a fintech start-up that analyses credit risk to increase funding of distributed renewable energy in Africa, to combat climate change and universalise access to electricity. This investment is designed to support the UN sustainable Development Goals, as well as to provide a financial return. HCF now holds 8.627% of the total shares of Nithio Holdings Inc.

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2022

26. GRANTS

Total grants in 2022 approved by the Foundation were £1,226,722 (2021: £601,873). These were made up as follows:

Institution	£
Synchronicity Earth	100,000
Iswar Sankalpa	78,328
Anjali	62,314
Aajeevika Bureau Trust	62,130
Sound and Picture Archives for Research on Women	57,897
Kolkata Sanved	46,373
Jeevika Development Society	45,121
reFrame Institute of Arts and Expression Private Ltd	44,508
Thoughtshop Foundation	42,818
Kislay	39,142
Sappho for Equality	38,369
Tarshi	37,464
Tribal Health Initiative	35,764
Vishaka Mahila Shiksha Avam Shoodh Samiti	34,960
Kotra Adivasi Sansthan	32,177
Rough Edges Arts and Media Private Limited	31,860
Gramin Avam Samajik Vikas Sanstha	30,783
Peoples Training and Research Centre	28,423
Zubaan Publishers	27,669
Vatsalya Societies	26,648
YAKSHI	25,846
Sampada Grameen Mahila Sanstha	25,445
Mitra Technology Foundation	25,284
iPartner India	25,235
Charkha	24,064
Autism Society West Bengal	21,539
Sama-Resource Group for Women and Health	16,950
Jan Daksha Trust	16,701
Bal Umang Drishya Sanstha	16,655
Foundation for Social Transformation	15,750
Sanatan Unnayan Sangstha	15,750
Social Action for Knowledge Building and Awareness Raising	13,194
Other international grantees	81,563

A full list of grantees can be made available upon request from the charity.

Accounts

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

HUMAN CAPABILITY FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2021

Berringers LLP
Chartered Accountants
and Statutory Auditors
Lygon House
50 London Road
Bromley
Kent
BR1 3RA

HUMAN CAPABILITY FOUNDATION

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HUMAN CAPABILITY FOUNDATION

REPORT OF THE TRUSTEES for the year ended 31 December 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the audited consolidated financial statements of the charity for the year ended 31 December 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

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

- Women and girls' rights and empowerment
- Sexual and reproductive health rights
- Gender equality
- Rights of economically and socially marginalised people
- Mental health and disability rights
- Labour and migration rights
- Environmental protection and climate change mitigation

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

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

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

The short-term aims of the HCF are to continue supporting organisations and identify new organisations who are working at the grassroots level in the most marginalised communities. The HCF wishes to remain an agile organisation that can respond quickly to emerging needs and requirements. Our medium-term aim is to ensure that we provide space for our grantees to innovate within their work, trying new initiatives and ideas. A long-term goal is to significantly increase our annual level of funding. We class this as a long-term goal because we want to increase our funding at a pace that means we continue to find exemplar organisations to fund.

Public benefit

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

HUMAN CAPABILITY FOUNDATION

REPORT OF THE TRUSTEES for the year ended 31 December 2021

STRATEGIC REPORT

Achievement and performance

Charitable activities

This year HCF have continued to support a significant number of NGO's, with grants approved during the year totalling £601,873 (2020: £1,104,567). The grants have been distributed in accordance with the charitable objectives as below:

	2021	2020
	£	£
- Women and girls' rights and empowerment	21,051	198,134
- Sexual and reproductive health rights	82,343	244,085
- Gender equality	109,500	161,373
- Rights of economically and socially marginalised groups	4,909	158,056
- Mental health and disability rights	99,321	74,821
- Labour & migration rights	78,896	121,195
- Environmental protection and climate change mitigation	136,291	101,946
- Covid emergency	28,272	44,956
- Youth education	24,390	-
- Arts & cultural expression	16,900	-
	<u>601,873</u>	<u>1,104,567</u>

HCF continued its support to the majority of the organisations we had supported in the previous year. HCF's grantees were substantially affected by the COVID-19 crisis. In April 2021 there was a huge surge in cases which required the majority of the face-to-face work to be delayed. HCF took the decision to send specific funds to organisations for them to provide emergency relief to their communities. HCF had to acknowledge that some of the work that had been planned and agreed with grantees would be delayed. HCF continued support to these organisations so that they could pay staff salaries and make plans to adapt their work rather than being weakened organisationally by the pandemic. HCF wanted our grantees to survive the pandemic, and flourish beyond it.

Towards the end of 2020, the Indian government brought in changes to the laws concerning foreign funding. The effects of this were being felt in 2021 whereby all FCRA-approved Indian NGOs were required to get their FCRA reassessed by the government and reapproved. This is the reason that our level of funding decreased in 2021, as the re-approval process took a long time and HCF did not want to send funds until their FCRA had been granted by the government.

Despite the year's challenges there have been numerous achievements by our organisations, for example:

- Held a conference in Kolkata in December 2021 attended by many of our grantees working on adolescent education.
- Provided emergency relief to thousands of people affected by lockdowns and job losses.
- Brought on new grantees, including an excellent mental health organisation.

HUMAN CAPABILITY FOUNDATION

REPORT OF THE TRUSTEES for the year ended 31 December 2021

STRATEGIC REPORT

Achievement and performance

Financial Review

Total grants approved by the foundation in 2021 were £601,873 (2020: £1,104,567). Total donations received by the Charity in 2021 amounted to £6,960,553 (2020: £4,399,770).

The trustees believe that the valuation of the investment properties as at 31 December 2021 are not materially different to their market values. The trustees are not qualified surveyors but believe that this valuation method represents a sufficiently accurate estimation without the need to spend any of the charity's funds on professional valuations.

During the year rental income received from the properties owned by HCF amounted to £1,235,579 (2020: 1,248,792). These properties provide on-going monthly sources of income from the rent.

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

The HCF holds reserves because we plan to be a long-term funder in India providing small-medium-sized grants to organisations. At the year end total charity reserves held were £41,733,587 (2020: £34,040,242). We hold reserves to ensure that we can commit to multi-year funding for grantees. In 2020 an additional £1,545,346 was invested in a renewable energy investment bond. We assessed that it was a low-risk investment but one that would provide a satisfactory return and put our cash reserves to good use, while retaining the necessary funds in order to meet our grants-making commitments. We have judged that a renewable energy portfolio is in line with our charity's ethics as the funds are used to create green energy resources. At the end of the year, this investment was performing as we had intended and no issues had arisen.

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

Future plans

In 2022 we will be continuing our increased attention on climate change funding. This is a high priority for HCF and we will be engaging with individuals and organisations throughout 2022 in order to find effective and innovative ways to fund environmental work in India.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

HUMAN CAPABILITY FOUNDATION

REPORT OF THE TRUSTEES for the year ended 31 December 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

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

Luke Pagarani
Davinder Pagarani
Natasha Pagarani

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

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

In 2021, the HCF received a total of £2,901,813 (2020: £200,000) from NATCO Foods Ltd and Enil (2020: £399,770) from Giant Exports Services Ltd. The HCF also received a donation of £4,071,298 relating to a loan donated as an asset from the Choithram International Foundation, an entity based in Jersey.

T.Choithram & Sons (London) Ltd is the parent company of Natco Foods Limited, of which Luke Pagarani is Managing Director, Natasha Pagarani is also employed and Davinder Pagarani is engaged as a consultant. Natco Foods Limited is a company based in the UK whose core business is the sourcing, processing and selling of foods from around the world to consumers primarily in the UK. It is the intention of T.Choithram & Sons (London) Ltd and its subsidiaries to continue financial support of the HCF indefinitely.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

07715471 (England and Wales)

Registered Charity number

1145084

Registered office

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

Trustees

N Pagarani
L Pagarani
D Pagarani

Company Secretary

N Pagarani

Auditors

Berringers LLP
Chartered Accountants
and Statutory Auditors
Lygon House
50 London Road
Bromley
Kent
BR1 3RA

HUMAN CAPABILITY FOUNDATION

REPORT OF THE TRUSTEES for the year ended 31 December 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Berringers LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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

N Pagarani - Trustee

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

Opinion

We have audited the consolidated financial statements of Human Capability Foundation (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2021 which comprise the Consolidated statement of financial activities, the group and parent charitable company balance sheet, the Consolidated cash flow statement and consolidated notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Report of the independent auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the trustees has been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the trustees.

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

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

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities, the trustees (who are also the directors of the parent 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.

Our responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and error, we considered the following:

- the nature of the industry, control environment and business performance;
- results of our enquiries to management about their own assessment of the risks of fraud and error;
- the matters discussed among the audit engagement team regarding how and where fraud may occur in the financial statements and any potential indicators of fraud.

Our procedures to respond to risk include the following:

- reviewing the financial statement disclosures and testing to supporting documentation;
- performing analytical procedures to identify any unusual or unexpected areas that may indicate risks of material misstatement due to fraud or error;
- addressing the risk of fraud and error through management override of controls, testing the appropriateness of journals, assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

Use of our report

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

Paul Allan BSocSc FCA (Senior Statutory Auditor)
for and on behalf of Berringers LLP
Chartered Accountants
and Statutory Auditors
Lygon House
50 London Road
Bromley
Kent
BR1 3RA

Date:

HUMAN CAPABILITY FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) for the year ended 31 December 2021

		2021 Unrestricted fund £	2020 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Donations and legacies	3	6,973,640	599,770
Other trading activities			
Sales of donated products	4	2,010	11,422
Commercial trading operations	4	21,484,029	-
Investment income	5	1,321,709	1,399,203
Share of profit/(loss) in associate (net of tax)	15	-	2,212
Total		29,781,388	2,012,607
EXPENDITURE ON			
Costs of raising funds			
Commercial trading operations	14	21,222,415	-
Charitable activities			
Grants	6	601,873	1,104,567
Other		155,326	136,213
Total		21,979,614	1,240,780
Net gains on investments	14	13,459	-
NET INCOME		7,815,233	771,827
OTHER RECOGNISED GAINS/(LOSSES)			
Other income arising on consolidation	15	-	2,471,764
NET MOVEMENT IN FUNDS		7,815,233	3,243,591
RECONCILIATION OF FUNDS			
Total funds brought forward	23	32,746,065	29,502,474
TOTAL FUNDS CARRIED FORWARD		40,561,298	32,746,065

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure has arisen from continuing activities of the group.
The notes to the accounts are shown on pages 13 to 25.

The notes form part of these financial statements

HUMAN CAPABILITY FOUNDATION
CONSOLIDATED AND CHARITY BALANCE SHEET
31 December 2021

		Group		Charity	
		2021	2020	2021	2020
		Unrestricted	Unrestricted	Unrestricted	Unrestricted
		fund	fund	fund	fund
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	13	2,325,117	2,427,517	359,193	400,149
Investments					
Investments	14	398,884	230,000	4,439,465	4,270,581
Investment property	16	22,680,000	22,680,000	22,680,000	22,680,000
		25,404,001	25,337,517	27,478,658	27,350,730
CURRENT ASSETS					
Debtors: amounts falling due within one year	17	3,916,670	3,867,330	465,354	117,184
Debtors: amounts falling due after more than one year	18	4,134,927	-	4,134,927	-
Stocks	19	3,001,422	2,639,281	-	-
Investments	20	4,245,346	4,845,346	4,245,346	4,845,346
Cash at bank		6,571,026	2,129,179	5,602,628	1,810,505
		21,869,391	13,481,136	14,448,255	6,773,035
CREDITORS					
Amounts falling due within one year	21	(6,635,445)	(5,996,270)	(116,610)	(83,523)
NET CURRENT ASSETS		15,233,946	7,484,866	14,331,645	6,689,512
TOTAL ASSETS LESS CURRENT LIABILITIES		40,637,947	32,822,383	41,810,303	34,040,242
Provision for liabilities	22	(76,649)	(76,318)	-	-
NET ASSETS		40,561,298	32,746,065	41,810,303	34,040,242
FUNDS					
Unrestricted funds	23	40,561,298	32,746,065	41,810,303	34,040,242
TOTAL FUNDS		40,561,298	32,746,065	41,810,303	34,040,242

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

N Pagarani - Trustee

The notes form part of these financial statements

HUMAN CAPABILITY FOUNDATION

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	2,783,352	(350,550)
Interest paid		<u>(15,053)</u>	<u>-</u>
Net cash (used in)/provided by operating activities		<u>2,768,299</u>	<u>(350,550)</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		(274,956)	-
Purchase of fixed asset investments		(155,425)	(230,000)
Purchase of current asset investments		-	(1,545,346)
Rents from investments		1,235,579	1,248,792
Sale of current asset investments		600,000	-
Cash acquired from donation of subsidiary		-	318,674
Interest received		261,625	107,793
Dividends received		<u>6,725</u>	<u>-</u>
Net cash used in investing activities		<u>1,673,548</u>	<u>(100,087)</u>
 Change in cash and cash equivalents in the reporting period		4,441,847	(450,637)
 Cash and cash equivalents at the beginning of the reporting period		<u>2,129,179</u>	<u>2,579,816</u>
 Cash and cash equivalents at the end of the reporting period		<u><u>6,571,026</u></u>	<u><u>2,129,179</u></u>

The notes form part of these financial statements

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 December 2021

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

	2021 £	2020 £
Net income for the reporting period (as per the Statement of financial activities)	7,815,233	771,827
Adjustments for:		
Depreciation charges	377,356	40,956
Finance costs	15,053	-
Interest received	(261,625)	(107,793)
Dividends received	(6,725)	-
Rent from investments	(1,235,579)	(1,248,792)
Donated asset	(4,058,211)	-
Gains on investments	(13,459)	-
Share of (profit)/loss in associated companies	-	(2,212)
(Increase)/decrease in stocks	(362,141)	-
Decrease/(increase) in debtors	(126,056)	178,594
Increase in creditors	639,506	16,870
Net cash (used in)/provided by operations	<u>2,783,352</u>	<u>(350,550)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.21 £	Cash flow £	At 31.12.21 £
Net cash			
Cash at bank	<u>2,129,179</u>	<u>4,441,847</u>	<u>6,571,026</u>
	<u>2,129,179</u>	<u>4,441,847</u>	<u>6,571,026</u>
Liquid resources			
Current assets investments	<u>4,845,346</u>	<u>(600,000)</u>	<u>4,245,346</u>
	<u>6,974,525</u>	<u>3,841,847</u>	<u>10,816,372</u>

The notes form part of these financial statements

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2021

1. STATUTORY INFORMATION

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

Preparation of the accounts on a going concern basis

After reviewing the company's forecasts and projections, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Consolidated financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary Trigon Snacks Trading Ltd on a line-by-line basis. Subsidiaries are fully consolidated from the date on which control is transferred to the group. Prior to this, Trigon Snacks Trading Ltd was accounted for as an associate. Associates are all entities over which the group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting.

A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by Companies Act 2006, s. 408.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates.

The trustees and directors have made assumptions regarding the recoverability of trade debtors and have provided accordingly in the subsidiary financial statements.

Stock valuation is reviewed at the end of the year, and key assumptions are made in relation to net realisable values and obsolete or slow-moving stocks. Where necessary the directors include a provision against the stock value for Trigon Snacks Trading Ltd.

The trustees consider the useful economic life of fixed assets and estimate depreciation accordingly. Depreciation rates are noted in the accounting policies and the depreciation totals for the year are included in note 13.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. The following specific policies are applied to particular categories of income:

- Income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- Rental income from investment property and leased out assets are recognised when receipt is probable and entitlement is established. Solar electricity income relates to electricity generated by solar panels owned by HCF and sold to related parties per note 24. All income for the year excludes VAT.
- Other trading activities relate to the realised sale of food products and consumer goods donated by related parties at nil cost as per note 24. No VAT is charged on these products and minimal levels of stock are held at the year end.

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2021

2. ACCOUNTING POLICIES - continued

Commercial trading income is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Turnover is derived from the sale of goods and is recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer, the price is determinable and the collection of the amount due is reasonably assured.

Expenditure

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

Grants

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

Other Expenditure

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

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

Within the subsidiary company depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Plant and machinery	- 15 - 25% on net book value
Fixtures and fittings	- 15 - 25% on net book value
Office equipment	- 25% of the net book value

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

The trustees and directors have reviewed the carrying value of the tangible fixed assets and no impairment is deemed necessary.

Bank Charges

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

Allocation and apportionment of costs

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

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2021

2. ACCOUNTING POLICIES - continued

Investment property

Investment properties include donated properties at fair value and are shown at most recent valuation. Any aggregate surplus or deficit arising from changes in valuation is recognised in the Statement of financial activities.

Taxation

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

In the subsidiary company current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- the group is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised. Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference. With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the company has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Fund accounting

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

Current asset investments

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

In 2019 and 2020, HCF invested in a renewable energy bond, that is in line with the charities ethics and objective of supporting worthy causes.

In 2020 and 2021, HCF invested in Downing Renewables & Infrastructure Trust PLC (DORE) which is in line with the charities ethics as it is designed to deliver stable and sustainable returns by investing in a diversified portfolio of hydro, solar, wind and other infrastructure assets.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is calculated as follows:-

Raw materials - Cost of purchase on first in, first out basis.

Work in progress and finished goods - Cost of raw materials and labour together with attributable overheads.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2021

2. ACCOUNTING POLICIES - continued

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

The company provides for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

Derivative financial instruments

Derivative financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in profit or loss. Outstanding derivatives at reporting date are included under the appropriate format heading depending on the nature of the derivative.

3. DONATIONS AND LEGACIES

	2021	2020
	£	£
Donations	<u>6,973,640</u>	<u>599,770</u>

4. OTHER TRADING ACTIVITIES

	2021	2020
	£	£
Sales of donated products	2,010	11,422
Wholesale sales (Trigon Snacks Trading Ltd - see note 14)	21,484,029	-
	<u>21,486,039</u>	<u>11,422</u>

5. INVESTMENT INCOME

	2021	2020
	£	£
Rents received	1,030,579	1,248,792
Solar electricity income	29,855	42,618
Other fixed asset invest - FII	6,725	-
Deposit account interest	2,682	9,252
Loan interest	75,143	-
Bond interest	176,725	98,541
	<u>1,321,709</u>	<u>1,399,203</u>

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2021

6. CHARITABLE ACTIVITIES COSTS

		Grant funding of activities (see note 7) £
Grants		<u><u>601,873</u></u>

7. GRANTS PAYABLE

	2021	2020
	£	£
Grants	<u><u>601,873</u></u>	<u><u>1,104,567</u></u>

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

	2021	2020
	£	£
	<u><u>601,873</u></u>	<u><u>1,104,567</u></u>

8. SUPPORT COSTS

	Finance	Other	Totals
	£	£	£
Other resources expended	<u><u>26,353</u></u>	<u><u>88,017</u></u>	<u><u>114,370</u></u>

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

Cost type	2021	2020
	£	£
Finance		
Foreign exchange losses	26,353	27,335
Other		
Rates & water	15,780	-
Insurance	4,099	-
Audit and accountancy	8,450	8,350
Legal and professional fees	30,655	31,725
Bank charges	1,421	2,107
Consultancy fees	26,732	25,740
Repairs & renewals	880	-
	<u><u>88,017</u></u>	<u><u>67,922</u></u>

9. NET INCOME/(EXPENDITURE)

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

	2021	2020
	£	£
Depreciation - owned assets	<u><u>377,356</u></u>	<u><u>40,956</u></u>

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2021

10. AUDITORS' REMUNERATION

	2021 £	2020 £
Fees payable to the Charity's auditors for the audit of the financial statements	<u>4,000</u>	<u>2,200</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2021 nor for the year ended 31 December 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2021 nor for the year ended 31 December 2020.

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	599,770
Other trading activities	11,422
Investment income	1,399,203
Share of profit/(loss) in associate (net of tax)	<u>2,212</u>
Total	2,012,607
EXPENDITURE ON	
Charitable activities	
Grants	1,104,567
Other	136,213
Total	<u>1,240,780</u>
NET INCOME	771,827
OTHER RECOGNISED GAINS/(LOSSES)	
Other income arising on consolidation	2,471,764
NET MOVEMENT IN FUNDS	3,243,591
RECONCILIATION OF FUNDS	
Total funds brought forward	<u>29,502,474</u>
TOTAL FUNDS CARRIED FORWARD	<u>32,746,065</u>

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2021

13. TANGIBLE FIXED ASSETS

GROUP

	Plant and Machinery £	Fixtures and Fittings £	Motor Vehicles £	Office Equipment £	Totals £
COST					
At 1 January 2021	3,710,222	341,080	16,495	102,510	4,170,307
Additions	255,901	782	-	18,273	274,956
At 31 December 2021	<u>3,966,123</u>	<u>341,862</u>	<u>16,495</u>	<u>120,783</u>	<u>4,445,263</u>
DEPRECIATION					
At 1 January 2021	1,518,033	139,370	9,971	75,416	1,742,790
Charge for year	337,532	30,116	1,631	8,077	377,356
At 31 December 2021	<u>1,855,565</u>	<u>169,486</u>	<u>11,602</u>	<u>83,493</u>	<u>2,120,146</u>
NET BOOK VALUE					
At 31 December 2021	<u>2,110,558</u>	<u>172,376</u>	<u>4,893</u>	<u>37,290</u>	<u>2,325,117</u>
At 31 December 2020	<u>2,192,189</u>	<u>201,710</u>	<u>6,524</u>	<u>27,094</u>	<u>2,427,517</u>

CHARITY

	Plant and Machinery £
COST	
At 1 January 2021 and 31 December 2021	<u>530,395</u>
DEPRECIATION	
At 1 January 2021	130,246
Charge for year	40,956
At 31 December 2021	<u>171,202</u>
NET BOOK VALUE	
At 31 December 2021	<u>359,193</u>
At 31 December 2020	<u>400,149</u>

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2021

14. FIXED ASSET INVESTMENTS

GROUP	Listed investments £	Unlisted investments £	Totals £
MARKET VALUE			
At 1 January 2021	230,000	-	230,000
Additions	155,425	-	155,425
Revaluations	13,459	-	13,459
At 31 December 2021	<u>398,884</u>	<u>-</u>	<u>398,884</u>
NET BOOK VALUE			
At 31 December 2021	<u>398,884</u>	<u>-</u>	<u>398,884</u>
At 31 December 2020	<u>230,000</u>	<u>-</u>	<u>230,000</u>
CHARITY	Listed investments £	Unlisted investments £	Totals £
MARKET VALUE			
At 1 January 2021	230,000	4,040,581	4,270,581
Additions	155,425	-	155,425
Revaluations	13,459	-	13,459
At 31 December 2021	<u>398,884</u>	<u>4,040,581</u>	<u>4,439,465</u>
NET BOOK VALUE			
At 31 December 2021	<u>398,884</u>	<u>4,040,581</u>	<u>4,439,465</u>
At 31 December 2020	<u>230,000</u>	<u>4,040,581</u>	<u>4,270,581</u>

There were no investment assets outside the UK.

The charity's investments at the balance sheet date in the share capital of companies include the following:

Trigon Snacks Trading Limited

Registered Number: 08711597

Registered office: Atherton Road, Aintree, Liverpool, L9 7AQ.

Nature of business: Retail

Class of share:	% holding
Ordinary	100

The investment held at the year-end is a 100% holding in Trigon Snacks Trading Limited; 10% of the shares were transferred as a gift at the calculated market value as at the 30th November 2018, with the remaining shares transferred at the calculated market value as at 31st December 2020. (see note 15)

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2021

At the 31st December 2021, the results for Trigon Snacks Trading Ltd were as follows:

	2021	2020
	£	£
Turnover	21,484,029	20,805,342
Cost of sales	19,843,689	19,305,307
Distribution and Administration costs	1,579,784	1,387,901
Operating profit/(loss)	60,556	156,213
Interest payable and similar expenses	15,053	13,691
Tax on profit/(loss)	331	76,318
Total comprehensive income for the year	45,172	22,125
Aggregate capital and reserves	2,791,576	2,746,404

The consolidated results have been adjusted for any inter-group transactions.

15. ACQUISITIONS

Acquisition of associate

In 2018 10% of the shares in Trigon Snacks Trading Ltd was donated to the Human Capability Foundation. Due to the mutual trustee/director, the charity was deemed to have significant influence by the trustees and therefore this has been accounted for as an investment in an associated company. The share of Trigon Snacks Trading Ltd's results that have been included in the consolidated accounts are as follows:

	2021	2020
	£	£
Profit/(loss) before taxation	-	98,443
Tax on profit/(loss)	-	76,318
Total comprehensive income for the year	-	22,125
10% share recognised on consolidation	-	2,212

Acquisition of subsidiary

The acquisition of Trigon Snacks Trading Ltd as a subsidiary occurred on 31st December 2020, when T.Choithram & Sons (London) Ltd donated the remaining 90% of the shares to the Human Capability Foundation.

As the acquisition was a donation of share capital, there was no consideration paid, and no goodwill arising on consolidation. The gain made by the charity on acquisition in 2020 is shown below:

Consideration paid:	-
Fair value of net assets on acquisition:	2,746,404
10% previously recognised as associate	(274,640)
Gain on consolidation	2,471,764

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2021

16. INVESTMENT PROPERTY

£

FAIR VALUE

At 1 January 2021

and 31 December 2021

22,680,000

NET BOOK VALUE

At 31 December 2021

22,680,000

At 31 December 2020

22,680,000

The valuations for all properties have not, in the Trustee's opinion, changed in value materially since the last valuations were carried out.

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	3,359,316	3,665,498	-	-
Prepayments	107,495	115,653	15,495	31,005
Other debtors	449,859	86,179	449,859	86,179
	<u>3,916,670</u>	<u>3,867,330</u>	<u>465,354</u>	<u>117,184</u>

18. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Other debtors	4,134,927	-	4,134,927	-
	<u>4,134,927</u>	<u>-</u>	<u>4,134,927</u>	<u>-</u>

On 1 January 2021 a deed of novation was signed, transferring a loan owed by Crown Network Ltd, to Choithram International Foundation, to the Human Capability Foundation, a charity with trustees/directors in common. At the balance sheet date, Crown Network Ltd owed AED 20.5million (£4million), repayable in more than one year, with interest accruing at 1.75% over the Bank of England base rate. During the year interest accruing was £75,143.

19. STOCKS

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Raw materials	2,302,783	1,925,939	-	-
Finished goods	698,639	713,342	-	-
	<u>3,001,422</u>	<u>2,639,281</u>	<u>-</u>	<u>-</u>

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2021

20. CURRENT ASSET INVESTMENTS

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Unlisted Investments	<u>4,245,346</u>	<u>4,845,346</u>	<u>4,245,346</u>	<u>4,845,346</u>
	<u>4,245,346</u>	<u>4,845,346</u>	<u>4,245,346</u>	<u>4,845,346</u>

In 2021, HCF had investments of £4,245,346 (2020: £4,845,346) in a regular access renewable energy investment bond, after reinvesting the matured bonds from 2019.

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	465,741	470,759	-	-
Social security and other taxes	55,872	64,112	-	-
VAT	665,722	1,030,443	91,660	60,573
Other creditors	5,312,367	4,301,907	16,500	16,500
Accrued expenses	<u>135,743</u>	<u>129,049</u>	<u>8,450</u>	<u>6,450</u>
	<u>6,635,445</u>	<u>5,996,270</u>	<u>116,610</u>	<u>83,523</u>

22. PROVISIONS FOR LIABILITIES

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Deferred taxation	<u>76,649</u>	<u>76,318</u>	<u>-</u>	<u>-</u>

	Deferred tax £
Balance at 1 January 2021	76,318
Accelerated capital allowances	1,077
Tax losses carried forward	<u>(746)</u>
Balance at 31 December 2021	<u>76,649</u>

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2021

23. MOVEMENT IN FUNDS

	At 1.1.21 £	Net movement in funds £	At 31.12.21 £
Unrestricted funds			
General fund	32,746,065	7,801,774	40,547,839
Revaluation Reserve	-	13,459	13,459
TOTAL FUNDS	32,746,065	7,815,233	40,561,298

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

	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Movement in funds £
Unrestricted funds				
General fund	29,781,388	(21,979,614)	-	7,801,774
Revaluation Reserve	-	-	13,459	13,459
TOTAL FUNDS	29,781,388	(21,979,614)	13,459	7,815,233

Comparatives for movement in funds

	At 1.1.20 £	Net movement in funds £	At 31.12.20 £
Unrestricted funds			
General fund	29,502,474	3,243,591	32,746,065
TOTAL FUNDS	29,502,474	3,243,591	32,746,065

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

	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Movement in funds £
Unrestricted funds				
General fund	2,012,607	(1,240,780)	2,471,764	3,243,591
TOTAL FUNDS	2,012,607	(1,240,780)	2,471,764	3,243,591

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2021

24. RELATED PARTY DISCLOSURES

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
The following amounts are included in the consolidated statement of financial activities:				
Entities with trustees/directors in common				
Income investment properties	1,005,000	1,005,000	1,005,000	1,005,000
Solar electricity	29,855	42,618	29,855	42,618
Sales of donated products	2,010	8,700	6,377	8,700
Interest	-	-	7,075	-
Donations	2,901,813	200,000	2,901,813	200,000
Donation of asset	4,134,927	-	4,134,927	-
Gifts of shares	-	-	-	3,800,000
	<u>(8,073,605)</u>	<u>(1,256,318)</u>	<u>(8,085,047)</u>	<u>(5,056,318)</u>
Entities with key management in common				
Donations	-	399,770	-	399,770
	-	(399,770)	-	(399,770)

The following amounts are included in the consolidated and charity balance sheet:

Entities with trustees/directors in common				
Loans owed to related parties	5,295,867	4,285,407	-	-
Sales	383,166	438,422	-	-
Purchases	20,313	72,418	-	-
Trade balance owed by related parties	<u>26,636</u>	<u>69,071</u>	<u>-</u>	<u>-</u>
	5,725,982	4,865,318	-	-

25. GRANTS

Total grants in 2021 approved by the Foundation were £601,873 (2020: £1,104,567). These were made up as follows:

Institution	£
Vishaka	69,981
Aajeevika Bureau Trust	40,699
Anjali	35,866
LAYA	33,697
Thoughtshop Foundation	27,834
Sappho for Equality	24,600
Vatsalya	24,391
Shishu Sarothi	22,965
Kolkata Sanved	22,818
Kotra Adivasi Sansthan	22,663
Tribal Health Initiative	19,818
SANGRAM	18,660
Iswar Sankalpa	17,671
Centre for Workers Management	17,348
Reframe Institute of Art & Expression	16,900
iPartner India	11,685
Kislay	11,126
Communitiny Youth Collective	9,752
Jeevika Development Society	7,776
Payana NGO	5,378
Crafts Council India	5,363
Other UK Grantees	75,000
Other International Grantees	59,882

A full list of grantees can be made available upon request from the charity.

Accounts

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

HUMAN CAPABILITY FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020

Berringers LLP
Chartered Accountants
and Statutory Auditors
Lygon House
50 London Road
Bromley
Kent
BR1 3RA

HUMAN CAPABILITY FOUNDATION

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HUMAN CAPABILITY FOUNDATION

REPORT OF THE TRUSTEES for the year ended 31 December 2020

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the audited consolidated financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

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

- Women and girls' rights and empowerment
- Sexual and reproductive health rights
- Gender equality
- Rights of economically and socially marginalised people
- Mental health and disability rights
- Labour and migration rights
- Environmental protection and climate change mitigation

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

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

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

The short-term aims of the HCF are to continue supporting organisations and identify new organisations who are working at the grassroots level in the most marginalised communities. The HCF wishes to remain an agile organisation that can respond quickly to emerging needs and requirements. Our medium-term aim is to ensure that we provide space for our grantees to innovate within their work, trying new initiatives and ideas. A long-term goal is to significantly increase our annual level of funding. We class this as a long-term goal because we want to increase our funding at a pace that means we continue to find exemplar organisations to fund.

Public benefit

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

HUMAN CAPABILITY FOUNDATION

REPORT OF THE TRUSTEES for the year ended 31 December 2020

STRATEGIC REPORT

Achievement and performance

Charitable activities

Charitable activities

This year HCF have continued to support a significant number of NGO's, with grants approved during the year totalling £1,104,567 (2019: £777,151). The grants have been distributed in accordance with the charitable objectives as below:

- Women and girls' rights and empowerment	198,134
- Sexual and Reproductive Health Rights	244,085
- Gender equality	161,373
- Rights of economically and socially marginalised groups	158,056
- Mental health and disability rights	74,821
- Labour & migration rights	121,195
- Environmental protection and climate change mitigation	101,946
- Covid Emergency	44,956
	1,104,567

HCF continued its support to the majority of the organisations we had supported in the previous year. HCF's grantees were substantially affected by COVID-19 and subsequent lockdowns. Many of our grantees rely on large, in-person meetings to do their work, and from April 2020 this was mostly not possible. Moreover, many of the communities that our grantees work with were hugely impacted by job losses resulting from lockdowns which meant that many of our grantees needed to pivot to providing emergency relief to people. This was in the form of cooking oil, food, soap and PPE. HCF took the decision to send specific funds to organisations for them to provide emergency relief to their communities. HCF had to acknowledge that some of the work that had been planned and agreed with grantees would be delayed. HCF continued support to these organisations so that they could pay staff salaries and make plans to adapt their work rather than being weakened organisationally by the pandemic. HCF wanted our grantees to survive the pandemic, and flourish beyond it.

Towards the end of 2020, the Indian government brought in changes to the laws concerning foreign funding. This has prompted an overhaul in the way that HCF's grantees function and HCF will need to continue to monitor the situation and make the necessary adjustments to ensure our activities abide by all of the new requirements.

Despite the year's challenges there have been numerous achievements by our organisations, for example:

- Shifted in-person learning for adolescent girls to online and continued educating out-of-school adolescent girls.
- Challenged and counselled families to prevent early marriages of young women. This was increasingly important due to the negative effects of the pandemic. As families' incomes became more precarious, early marriage was seen as a prudent decision.
- Provided emergency relief to thousands of people affected by lockdowns and job losses.
- Provided essential support to migrants travelling back to villages from cities after lockdowns were announced. Also ensuring that wages were paid to workers in cases of attempted wage theft and business closures.
- Researched the effects of the pandemic and lockdown on various communities so that grantees' work could be adapted to community needs.
- Substantially increased our funding of environmental causes.
- Provided early intervention solutions to babies born with disabilities, supporting families to get appropriate care for their young babies.

HCF's work benefits the wider society in countless different ways. For example, one of our partner organisations, Anjali, works with long-term residents at mental health hospitals in West Bengal. But their work also helps to change societal attitudes to psychosocial disabilities, helps to reintegrate residents into their families and communities, and operates counselling sessions within communities so that mental health treatment is accessible to more people. HCF's investments performed as expected and generated steady income in 2020.

HUMAN CAPABILITY FOUNDATION

REPORT OF THE TRUSTEES for the year ended 31 December 2020

STRATEGIC REPORT

Achievement and performance

Financial Review

Total grants approved by the foundation in 2020 were £1,104,567 (2019: £777,151). Total donations received by the Charity in 2020 amounted to £4,399,770 (2019: £20,983,667). This included a gift of 90% of shares in Trigon Snacks Trading Ltd, valued at £3,800,000 which has been eliminated on preparation of the Group accounts. HCF accepted this gift of shares as it would be another source of income for the charity. One of HCF's trustees is the director of the company and therefore we will receive transparent and consistent reporting into the company's performance.

In 2019 donations included three gifted properties valued at £19,540,000 on the dates of transfer. The three properties donated during 2019 were revalued to reflect the market average 5% investment yield of the annual rent received. The trustees are not qualified surveyors but believe that this valuation method represents a sufficiently accurate estimation without the need to spend any of the charity's funds on professional valuations. The valuations for the already owned two properties have not, in the trustees opinion, changed in value materially since the last valuations were carried out.

During the year rental income received from the properties owned by HCF amounted to £1,248,792 (2019: £1,205,435). These properties provide on-going monthly sources of income from the rent.

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

The HCF holds reserves because we plan to be a long-term funder in India providing small-medium-sized grants to organisations. At the year end total reserves held were £34,040,242 (2019: £29,502,474). We hold reserves to ensure that we can commit to multi-year funding for grantees. In 2020 an additional £1,545,346 was invested in a renewable energy investment bond. We assessed that it was a low-risk investment but one that would provide a satisfactory return and put our cash reserves to good use, while retaining the necessary funds in order to meet our grants-making commitments. We have judged that a renewable energy portfolio is in line with our charity's ethics as the funds are used to create green energy resources. At the end of the year, this investment was performing as we had intended and no issues had arisen.

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

Future plans

Due to the new Indian laws and the uncertainty of the COVID pandemic, 2021 will be a year of change. HCF will be seeking more local Indian advice and expertise to ensure that we stay abreast of the new regulations and that our work in India can be effective as possible. We will of course be continuing our grant-making model and identifying new grantees. HCF plans to increase the amount of funding we give to organisations working on environmental protection. In 2021 we are expecting that our grantees will continue to be affected by the COVID pandemic and its repercussions.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

HUMAN CAPABILITY FOUNDATION

REPORT OF THE TRUSTEES for the year ended 31 December 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

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

Luke Pagarani

Davinder Pagarani

Natasha Pagarani

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

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

In 2020, the HCF received a total of £nil (2019: £1,443,667) in donations from Windsor Investment Holdings Limited, Giant Exports Services Ltd £399,770 (2019: £355,000), Natco Foods Ltd £200,000 (2019: £nil), Landfield Investment Holding Ltd £nil (2019: £506,310) and Mystical Worldwide Trust £nil (2019: £65,834).

T.Choithram & Sons (London) Ltd is the parent company of Natco Foods Limited, of which Luke Pagarani is Managing Director, Natasha Pagarani is also employed and Davinder Pagarani is engaged as a consultant. Natco Foods Limited is a company based in the UK whose core business is the sourcing, processing and selling of foods from around the world to consumers primarily in the UK. It is the intention of T.Choithram & Sons (London) Ltd and its subsidiaries to continue financial support of the HCF indefinitely.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

07715471 (England and Wales)

Registered Charity number

1145084

Registered office

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

Trustees

N Pagarani

L Pagarani

D Pagarani

Company Secretary

N Pagarani

Auditors

Berringers LLP
Chartered Accountants
and Statutory Auditors
Lygon House
50 London Road
Bromley
Kent
BR1 3RA

HUMAN CAPABILITY FOUNDATION

REPORT OF THE TRUSTEES for the year ended 31 December 2020

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Berringers LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a Strategic report, approved by order of the board of trustees, as the company directors, on 22 September 2021 and signed on the board's behalf by:

N Pagarani - Trustee

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

Opinion

We have audited the consolidated financial statements of Human Capability Foundation (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Report of the independent auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the trustees has been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the trustees.

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

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

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and error, we considered the following:

- the nature of the industry, control environment and business performance;
- results of our enquiries to management about their own assessment of the risks of fraud and error;
- the matters discussed among the audit engagement team regarding how and where fraud may occur in the financial statements and any potential indicators of fraud.

Our procedures to respond to risk include the following:

- reviewing the financial statement disclosures and testing to supporting documentation;
- performing analytical procedures to identify any unusual or unexpected areas that may indicate risks of material misstatement due to fraud or error;
- addressing the risk of fraud and error through management override of controls, testing the appropriateness of journals, assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

Use of our report

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

Paul Allan BSocSc FCA (Senior Statutory Auditor)
for and on behalf of Berringers LLP
Chartered Accountants
and Statutory Auditors
Lygon House
50 London Road
Bromley
Kent
BR1 3RA

Date: 22 September 2021

HUMAN CAPABILITY FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) for the year ended 31 December 2020

		2020 Unrestricted fund £	2019 Total funds £
	Notes		
INCOME AND ENDOWMENTS FROM			
Donations and legacies	3	599,770	20,983,668
Other trading activities	4	11,422	9,291
Investment income	5	1,399,203	1,317,800
Share of profit/(loss) in associate (net of tax)	15	2,212	(17,553)
Total		2,012,607	22,293,206
 EXPENDITURE ON			
Charitable activities			
Grants	6	1,104,567	777,151
Other		136,213	120,313
Total		1,240,780	897,464
 NET INCOME		771,827	21,395,742
 OTHER RECOGNISED GAINS/(LOSSES)			
Other income arising on consolidation	15	2,471,764	-
 NET MOVEMENT IN FUNDS		3,243,591	21,395,742
 RECONCILIATION OF FUNDS			
Total funds brought forward	22	29,502,474	8,106,732
 TOTAL FUNDS CARRIED FORWARD		32,746,065	29,502,474

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure has arisen from continuing activities of the group.
The notes to the accounts are shown on pages 13 to 25.

HUMAN CAPABILITY FOUNDATION

CONSOLIDATED AND CHARITY BALANCE SHEET 31 December 2020

		Group		Charity	
		2020	2019	2020	2019
		Unrestricted fund	Unrestricted fund	Unrestricted fund	Unrestricted fund
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	13	2,427,517	441,105	400,149	441,105
Investments					
Investments	14	230,000	272,428	4,270,581	240,581
Investment property	16	22,680,000	22,680,000	22,680,000	22,680,000
		25,337,517	23,393,533	27,350,730	23,361,686
CURRENT ASSETS					
Debtors	17	3,867,330	295,778	117,184	295,778
Stocks	18	2,639,281	-	-	-
Investments	19	4,845,346	3,300,000	4,845,346	3,300,000
Cash at bank		2,129,179	2,579,816	1,810,505	2,579,816
		13,481,136	6,175,594	6,773,035	6,175,594
CREDITORS					
Amounts falling due within one year	20	(5,996,270)	(66,653)	(83,523)	(66,653)
NET CURRENT ASSETS		7,484,866	6,108,941	6,689,512	6,108,941
TOTAL ASSETS LESS CURRENT		32,822,383	29,502,474	34,040,242	29,470,627
Provision for liabilities	21	(76,318)	-	-	-
NET ASSETS		32,746,065	29,502,474	34,040,242	29,470,627
FUNDS	22				
Unrestricted funds		32,746,065	29,502,474	34,040,242	29,470,627
TOTAL FUNDS		32,746,065	29,502,474	34,040,242	29,470,627

The consolidated financial statements were approved by the Board of Trustees and authorised for issue on 22 September 2021 and were signed on its behalf by:

N Pagarani - Trustee

The notes form part of these financial statements

HUMAN CAPABILITY FOUNDATION
CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(350,550)</u>	<u>245,997</u>
Net cash (used in)/provided by operating activities		<u>(350,550)</u>	<u>245,997</u>
 Cash flows from investing activities			
Purchase of fixed asset investments		(230,000)	-
Purchase of current asset investments		(1,545,346)	(3,300,000)
Rents from investments		1,248,792	1,205,435
Cash acquired from donation of subsidiary		318,674	-
Interest received		<u>107,793</u>	<u>72,143</u>
Net cash used in investing activities		<u>(100,087)</u>	<u>(2,022,422)</u>
 Change in cash and cash equivalents in the reporting period		(450,637)	(1,776,425)
 Cash and cash equivalents at the beginning of the reporting period		<u>2,579,816</u>	<u>4,356,241</u>
 Cash and cash equivalents at the end of the reporting period		<u><u>2,129,179</u></u>	<u><u>2,579,816</u></u>

The notes form part of these financial statements

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 December 2020

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

	2020	2020
	£	£
Net income for the reporting period (as per the Statement of financial activities)	771,827	21,395,742
Adjustments for:		
Depreciation charges	40,956	40,956
Interest received	(107,793)	(72,143)
Rent from investments	(1,248,792)	(1,205,435)
Donated asset	-	(19,540,000)
Share of (profit)/loss in associated companies	(2,212)	17,553
Decrease/(increase) in debtors	178,594	(433,749)
Increase in creditors	16,870	43,073
	<u>16,870</u>	<u>43,073</u>
Net cash (used in)/provided by operations	<u>(350,550)</u>	<u>245,997</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.20	Cash flow	At 31.12.20
	£	£	£
Net cash			
Cash at bank	<u>2,579,816</u>	<u>(450,637)</u>	<u>2,129,179</u>
	<u>2,579,816</u>	<u>(450,637)</u>	<u>2,129,179</u>
Liquid resources			
Current assets investments	<u>3,300,000</u>	<u>1,545,346</u>	<u>4,845,346</u>
	<u>5,879,816</u>	<u>1,094,709</u>	<u>6,974,525</u>

The notes form part of these financial statements

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2020

1. STATUTORY INFORMATION

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

Preparation of the accounts on a going concern basis

After reviewing the company's forecasts and projections, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Consolidated financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary Trigon Snacks Trading Ltd on a line-by-line basis. Subsidiaries are fully consolidated from the date on which control is transferred to the group. Prior to this, Trigon Snacks Trading Ltd was accounted for as an associate. Associates are all entities over which the group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting.

A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by Companies Act 2006, s. 408.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates.

The trustees and directors have made assumptions regarding the recoverability of trade debtors and have provided accordingly in the subsidiary financial statements.

Stock valuation is reviewed at the end of the year, and key assumptions are made in relation to net realisable values and obsolete or slow-moving stocks. Where necessary the directors include a provision against the stock value for Trigon Snacks Trading Ltd.

The trustees consider the useful economic life of fixed assets and estimate depreciation accordingly. Depreciation rates are noted in the accounting policies and the depreciation totals for the year are included in note 13.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. The following specific policies are applied to particular categories of income:

- Income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- Rental income from investment property and leased out assets are recognised when receipt is probable and entitlement is established. Solar electricity income relates to electricity generated by solar panels owned by HCF and sold to related parties per note 23. All income for the year excludes VAT.
- Other trading activities relate to the realised sale of food products and consumer goods donated by related parties at nil cost as per note 23. No VAT is charged on these products and minimal levels of stock are held at the year end.

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2020

2. ACCOUNTING POLICIES - continued

Expenditure

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

Grants

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

Other Expenditure

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

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

Within the subsidiary company depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Plant and machinery	- 15 - 25% on net book value
Fixtures and fittings	- 15 - 25% on net book value
Office equipment	- 25% of the net book value

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

The trustees and directors have reviewed the carrying value of the tangible fixed assets and no impairment is deemed necessary.

Bank Charges

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

Allocation and apportionment of costs

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

Investment property

Investment properties include donated properties at fair value and are shown at most recent valuation. Any aggregate surplus or deficit arising from changes in valuation is recognised in the Statement of financial activities.

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2020

2. ACCOUNTING POLICIES - continued

Taxation

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

In the subsidiary company current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- the group is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised. Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference. With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the company has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Fund accounting

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

Current asset investments

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

In 2019 and 2020, HCF invested in a renewable energy bond, that is in line with the charities ethics and objective of supporting worthy causes.

In 2020, HCF invested in Downing Renewables & Infrastructure Trust PLC (DORE) which is in line with the charities ethics as it is designed to deliver stable and sustainable returns by investing in a diversified portfolio of hydro, solar, wind and other infrastructure assets.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is calculated as follows:-

Raw materials - Cost of purchase on first in, first out basis.

Work in progress and finished goods - Cost of raw materials and labour together with attributable overheads.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2020

2. ACCOUNTING POLICIES - continued

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

The company provides for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

Derivative financial instruments

Derivative financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in profit or loss. Outstanding derivatives at reporting date are included under the appropriate format heading depending on the nature of the derivative.

3. DONATIONS AND LEGACIES

	2020	2019
	£	£
Gifts	-	19,540,000
Donations	<u>599,770</u>	<u>1,443,668</u>
	<u>599,770</u>	<u>20,983,668</u>

4. OTHER TRADING ACTIVITIES

	2020	2019
	£	£
Sales of donated products	<u>11,422</u>	<u>9,291</u>

5. INVESTMENT INCOME

	2020	2019
	£	£
Rents received	1,248,792	1,205,435
Solar electricity income	42,618	40,222
Deposit account interest	9,252	24,414
Bond interest	<u>98,541</u>	<u>47,729</u>
	<u>1,399,203</u>	<u>1,317,800</u>

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2020

6. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (see note 7) £
Grants	<u><u>1,104,567</u></u>

7. GRANTS PAYABLE

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

2020	2019
£	£
<u><u>1,104,567</u></u>	<u><u>777,151</u></u>

8. SUPPORT COSTS

	Finance £	Other £	Totals £
Other resources expended	<u><u>27,335</u></u>	<u><u>67,922</u></u>	<u><u>95,257</u></u>

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

Cost type	2020 £	2019 £
Finance		
Foreign exchange losses	27,335	1,700
Other		
Web site costs	-	116
Audit and accountancy	8,350	2,200
Legal and professional fees	31,725	10,591
Bank charges	2,107	1,075
Consultancy fees	<u><u>25,740</u></u>	<u><u>63,675</u></u>
	<u><u>67,922</u></u>	<u><u>77,657</u></u>

9. NET INCOME/(EXPENDITURE)

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

	2020 £	2019 £
Depreciation - owned assets	<u><u>40,956</u></u>	<u><u>40,956</u></u>

10. AUDITORS' REMUNERATION

	2020 £	2019 £
Fees payable to the Charity's auditors for the audit of the financial statements	<u><u>3,500</u></u>	<u><u>2,200</u></u>

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2020

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	20,983,668
Other trading activities	9,291
Investment income	1,317,800
Share of profit/(loss) in associate (net of tax)	(17,553)
Total	22,293,206
EXPENDITURE ON	
Charitable activities	
Grants	777,151
Other	120,313
Total	897,464
NET INCOME	21,395,742
RECONCILIATION OF FUNDS	
Total funds brought forward	8,106,732
TOTAL FUNDS CARRIED FORWARD	29,502,474

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2020

13. TANGIBLE FIXED ASSETS

GROUP

	Plant and Machinery	Fixtures and Fittings	Motor Vehicles	Office Equipment	Totals
	£	£	£	£	£
COST					
At 1 January 2020	530,395	-	-	-	530,395
Assets acquired on consolidation	3,179,827	341,080	16,495	102,510	3,639,912
At 31 December 2020	<u>3,710,222</u>	<u>341,080</u>	<u>16,495</u>	<u>102,510</u>	<u>4,170,307</u>

DEPRECIATION

At 1 January 2020	89,290	-	-	-	89,290
Charge for year	40,956	-	-	-	40,956
Depreciation from subsidiary undertaking	1,387,787	139,370	9,971	75,416	1,612,544
At 31 December 2020	<u>1,518,033</u>	<u>139,370</u>	<u>9,971</u>	<u>75,416</u>	<u>1,742,790</u>

NET BOOK VALUE

At 31 December 2020	<u>2,192,189</u>	<u>201,710</u>	<u>6,524</u>	<u>27,094</u>	<u>2,427,517</u>
At 31 December 2019	<u>441,105</u>	-	-	-	<u>441,105</u>

CHARITY

Plant and
Machinery
£

COST

At 1 January 2020 and 31 December 2020	<u>530,395</u>
--	----------------

DEPRECIATION

At 1 January 2020	89,290
Charge for year	40,956
At 31 December 2020	<u>130,246</u>

NET BOOK VALUE

At 31 December 2020	<u>400,149</u>
At 31 December 2019	<u>441,105</u>

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2020

14. FIXED ASSET INVESTMENTS

GROUP	Listed investments £	Unlisted investments £	Totals £
MARKET VALUE			
At 1 January 2020	-	272,428	272,428
Additions	230,000	-	230,000
Reclassification		(272,428)	(272,428)
At 31 December 2020	<u>230,000</u>	<u>-</u>	<u>230,000</u>
NET BOOK VALUE			
At 31 December 2020	<u>230,000</u>	<u>-</u>	<u>230,000</u>
At 31 December 2019	<u>-</u>	<u>272,428</u>	<u>272,428</u>
CHARITY	Listed investments £	Unlisted investments £	Totals £
MARKET VALUE			
At 1 January 2020	-	240,581	240,581
Additions	230,000	3,800,000	4,030,000
At 31 December 2020	<u>230,000</u>	<u>4,040,581</u>	<u>4,270,581</u>
NET BOOK VALUE			
At 31 December 2020	<u>230,000</u>	<u>4,040,581</u>	<u>4,270,581</u>
At 31 December 2019	<u>-</u>	<u>240,581</u>	<u>240,581</u>

There were no investment assets outside the UK.

The charity's investments at the balance sheet date in the share capital of companies include the following:

Trigon Snacks Trading Limited

Registered Number: 08711597

Registered office: Inside the United Kingdom

Nature of business: Retail

Class of share:	%
Ordinary	holding 100

The investment held at the year-end is a 100% holding in Trigon Snacks Trading Limited; 10% of the shares were transferred as a gift at the calculated market value as at the 30th November 2018, with the remaining shares transferred at the calculated market value as at 31st December 2020. (see note 15)

Since the donation of the remaining 90% of the subsidiary company occurred on 31st December 2020, none of the trading activity by Trigon Snacks Trading Ltd is applicable to the group and as such, no trading results are consolidated into the figures shown in the Statement of Financial Activities on page 9. All trading activity for the year ended 31st December 2020 is therefore included in the net assets acquired by the charity on 31st December and is shown in note 15, as other income arising on acquisition and consolidation.

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2020

At the 31st December 2020, the results for Trigon Snacks Trading Ltd were as follows:

	2020	2019
	£	£
Turnover	20,805,342	20,127,339
Cost of sales	19,305,307	18,956,356
Distribution and Administration costs	1,343,822	1,311,811
Operating profit/(loss)	156,213	(140,828)
Interest payable and similar expenses	57,770	57,770
Tax on profit/(loss)	76,318	76,318
Total comprehensive income for the year	<u>22,125</u>	<u>(274,916)</u>
Aggregate capital and reserves	<u>2,746,404</u>	<u>2,724,279</u>

15. ACQUISITIONS

Acquisition of associate

In 2018 10% of the shares in Trigon Snacks Trading Ltd was donated to the Human Capability Foundation. Due to the mutual trustee/director, the charity is deemed to have significant influence by the trustees and therefore this has been accounted for as an investment in an associated company. The share of Trigon Snacks Trading Ltd's results that have been included in the consolidated accounts are as follows:

	2020	2019
	£	£
Profit/(loss) before taxation	98,443	(201,278)
Tax on profit/(loss)	76,318	(25,747)
Total comprehensive income for the year	<u>22,125</u>	<u>(175,531)</u>
10% share recognised on consolidation	2,212	(17,553)

Acquisition of subsidiary

The acquisition of Trigon Snacks Trading Ltd occurred on 31st December 2020, when T.Choithram & Sons (London) Ltd donated the remaining 90% of the shares to the Human Capability Foundation.

As the acquisition was a donation of share capital, there was no consideration paid, and no goodwill arising on consolidation. The gain made by the charity on acquisition is shown below:

Consideration paid:	-
Fair value of net assets on acquisition:	2,746,404
10% previously recognised as associate	<u>(274,640)</u>
Gain on consolidation	<u>2,471,764</u>

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2020

16. INVESTMENT PROPERTY

£

FAIR VALUE

At 1 January 2020

and 31 December 2020

22,680,000

NET BOOK VALUE

At 31 December 2020

22,680,000

At 31 December 2019

22,680,000

The valuations for all properties have not, in the Trustee's opinion, changed in value materially since the last valuations were carried out.

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	3,665,498	-	-	-
Prepayments	115,653	72,144	31,005	72,144
Other debtors	<u>86,179</u>	<u>223,634</u>	<u>86,179</u>	<u>223,634</u>
	<u>3,867,330</u>	<u>295,778</u>	<u>117,184</u>	<u>295,778</u>

18. STOCKS

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Raw materials	1,925,939	-	-	-
Finished goods	<u>713,342</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>2,639,281</u>	<u>-</u>	<u>-</u>	<u>-</u>

19. CURRENT ASSET INVESTMENTS

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Unlisted Investments	<u>4,845,346</u>	<u>3,300,000</u>	<u>4,845,346</u>	<u>3,300,000</u>
	<u>4,845,346</u>	<u>3,300,000</u>	<u>4,845,346</u>	<u>3,300,000</u>

In 2020, HCF had investments of £4,845,346 (2019: £3,300,000) in a regular access renewable energy investment bond, after reinvesting the matured bonds from 2019.

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2020

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	470,759	-	-	-
Social security and other taxes	64,112	-	-	-
VAT	1,030,443	46,653	60,573	46,653
Other creditors	4,301,907	16,500	16,500	16,500
Accrued expenses	129,049	3,500	6,450	3,500
	<u>5,996,270</u>	<u>66,653</u>	<u>83,523</u>	<u>66,653</u>

21. PROVISIONS FOR LIABILITIES

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Deferred taxation	<u>76,318</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>76,318</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Deferred tax £
Accelerated capital allowances	262,349
Tax losses carried forward	(186,031)
Balance at 31 December 2020	<u>76,318</u>

22. MOVEMENT IN FUNDS

	At 1.1.20 £	Net movement in funds £	At 31.12.20 £
Unrestricted funds			
General fund	29,502,474	3,243,591	32,746,065
TOTAL FUNDS	<u>29,502,474</u>	<u>3,243,591</u>	<u>32,746,065</u>

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

	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Movement in funds £
Unrestricted funds				
General fund	2,012,607	(1,240,780)	2,471,764	3,243,591
TOTAL FUNDS	<u>2,012,607</u>	<u>(1,240,780)</u>	<u>2,471,764</u>	<u>3,243,591</u>

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2020

Comparatives for movement in funds

	At 1.1.19 £	Net movement in funds £	At 31.12.19 £
Unrestricted funds			
General fund	8,106,732	21,395,742	29,502,474
TOTAL FUNDS	<u>8,106,732</u>	<u>21,395,742</u>	<u>29,502,474</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	22,293,206	(897,464)	21,395,742
TOTAL FUNDS	<u>22,293,206</u>	<u>(897,464)</u>	<u>21,395,742</u>

23. RELATED PARTY DISCLOSURES

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
The following amounts are included in the consolidated statement of financial activities:				
Entities with trustees/directors in common				
Income investment properties	1,043,750	1,030,159	1,043,750	1,030,159
Solar electricity	42,618	40,222	42,618	40,222
Sales of donated products	8,700	8,946	8,700	8,946
Donations	200,000	-	200,000	-
Gifts of shares	-	-	3,800,000	-
	(1,295,068)	1,079,327	(5,095,068)	1,079,327
Entities with key management in common				
Donations	399,770	1,443,667	399,770	1,443,667
Gifts of property	-	19,540,000	-	19,540,000
	(399,770)	20,983,667	(399,770)	20,983,667

The following amounts are included in the consolidated and charity balance sheet:

Entities with trustees/directors in common				
Loans owed to related parties	4,285,407	-	-	-
Trade balance owed by related parties	69,071	-	-	-
	4,285,407	-	-	-

HUMAN CAPABILITY FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the year ended 31 December 2020

25. GRANTS

Total grants in 2020 approved by the Foundation were £1,104,567 (2019: £777,151).

These were made up as follows:

Institution	Amount £
Global Greengrants	75,000
Anjali	51,984
Tarshi	48,322
Action India	46,345
Disha Trust	45,726
Aajeevika Bureau	39,429
SAMA	38,448
Aman Public Charitable Trust	36,207
Nirantar	32,296
Kotra Adivasi Sansthan	29,499
Charkha	29,367
Gramin Avam Samajik Vikas	29,183
Nirantar	28,383
Vishakha	27,980
BUDS	27,547
SAKAR	27,512
Jeevika Development Society	26,946
Prayas	25,706
Sappho for Equality	25,040
Thoughtshop Foundation	24,523
Kislay	24,356
Shishu Sarothi Centre for Rehabilitation and Training for Multiple Disability	22,837
Centre for Workers' Management	21,242
SANGRAM	20,000
Yakshi	18,932
iPartner India	18,272
Society for Informal Education and Development Studies	15,127
Others	248,357