

Charity registration number 1186801

HUMAN PRACTICE FOUNDATION UK
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2022

HUMAN PRACTICE FOUNDATION UK

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HUMAN PRACTICE FOUNDATION UK

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

P Andersen
A Tonsgaard
A Skoglund
C Von Barnekow
K Thykier
M Bruun
C Moser

Administrator

L Frederiksen

Charity number

1186801

Principal address

73 Cornhill
London
EC3V 3QQ

Independent examiner

S Coleman ACA
Gerald Edelman LLP
73 Cornhill
London
EC3V 3QQ

Bankers

Barclays
Leicester
LE87 2BB

HUMAN PRACTICE FOUNDATION UK

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2022

The Trustees present their annual report and financial statements for the year ended 5 April 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011 and "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 charity's objects are as follows:

- a) to aid in the advancement of education through the support of educational establishments such as schools, colleges and universities or organisations.
- b) the advancement of education of young people as well as the provision of support and assistance to provide a stable environment for such young people to prosper and succeed
- c) the pursuit of such other charitable objectives as the Trustees determine;

The strategy of the Trustees to achieve these objectives is the provision of quality education and support of the local community in Nepal and Kenya via the development and reconstruction of local schools and improvement of infrastructure and support services. This includes the provision of quality education to be achieved with the collaboration with local authorities, communities and organisations.

The Trustees believe in the creation of quality schools that serve as strong educational platforms where children and young adults are provided with quality education and a sustainable future. This goes along aside the support of the local community to improve illiteracy, poverty and inequality in line with UN sustainable development goals.

The benefits of the strategy adopted will include provision of access to free quality education and jobs that create the foundation for sustainable livelihood. Thus ensuring the continuing growth and prosperity of the local community.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

The Trustees have extensive contacts with other organisations and individuals who operate in the areas involved. These contacts have the extensive knowledge and experience to be able to provide the advice and guidance required when decisions are made about the nature of the support and assistance to be provided by our charity. The main contact referred to above is HPF Denmark (a related organisation) which has operated for some years in the relevant areas. HPF Denmark has the knowledge and experience required to make our projects a success assisted by a formal agreement that is in place with the Nepali government.

Achievements and performance

The charity incurred expenditure in the period under review in support of the above objectives in the sum of £220,826 (2021- £86,180). This included the sum of £64,993 (2021-£58,493) regarding projects in Kenya and the further sum of £135,833 (2021-£27,687) regarding projects in Nepal. A summary of the activities involved is detailed below:

HUMAN PRACTICE FOUNDATION UK

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

Yard DEB Primary School in Kenya:

HPF UK has donated £62,493 for Yard Deb Primary School which is located in a small village in the Laikipia County 225 km north of Nairobi close to Mount Kenya. The local village has a small population living in poverty. The isolated rural area of the school is not prioritized by the government, which already has limited funds, so there is no outlook of improved conditions from that side. The primary occupation in the area is agriculture. Most families have no or little income, more than 30% of the population in this area live below the poverty line.

There are 110 students enrolled at Yard DEB Primary School. The school is in extremely bad shape. The classrooms are not suitable for lessons, and the students' education suffer from this. They only have 4 classrooms for 8 classes, so they need new classrooms and renovation of the existing ones. Something they do not have the resources for. In addition, the school does not have any educational facilities, such as a library, which affects the learning outcome for the children.

Phase one of the project at Yard Deb Primary School is creating proper infrastructure for the students. This is the essential platform for creating quality education. As the school is in dire need of new classrooms, we construct a new building with 4 classrooms and water harvesting. The classrooms are spacious, light, and well-suited for teaching. Additionally, we renovate the existing 4 classrooms and the admin block currently at the school. They are in a bad shape but are structurally fine. We renovate the roof, walls and floors, put in new doors, windows and furniture as well as repaint it. This will create a building with good classrooms that can accommodate all the schools' students.

Balkalyan Secondary School, Siddeswori Secondary School and Nilgiri Secondary School, Taplejung Nepal:

HPF UK donated £83,739 for Balkalyan Secondary School, Siddeswori Secondary School and Nilgiri Secondary School.

In the winter of 2020/2021, our former Chairman Calum Barclay along with 3 companions rowed across the Atlantic, fundraising for Human Practice Foundation UK, specifically for school projects in Nepal. Three schools - Balkalyan Secondary School, Siddeswori Secondary School and Nilgiri Secondary School, Taplejung Nepal are thus supported by Human Practice Foundation UK.

The three school are located in a very remote and secluded place in the Himalaya mountains – a long walk from the main road going up to the district's main city. The isolated location makes it very difficult and rare for the government to get there and their educational efforts and funds are focused around the metropolitan areas of Nepal. The inhabitants must walk for hours through the mountains to get to nearby shops.

The primary occupation in the area is agriculture. Most families have no or little income since they do not produce enough products for resale. More than 40% of the population in this area live below the poverty line. Almost 40% of children under 5 are malnourished and 30% of the children drop out of school during primary school.

The school construction projects include creating proper infrastructure for the students. This is the essential platform for creating quality education. For all three schools, we will build modern earthquake-resistant school buildings with 8 Classrooms. The classrooms are spacious, light and well-suited for teaching.

The school constructions started in summer of 2021, expected to be finalized in the fall of 2022.

Siddheswari Secondary School is located in the Sidingwa Municipality in the Taplejung District. There are **286** students enrolled at Siddheswari Secondary School

Balkalyan Secondary School is located in a small village called **Surumklam** in the Taplejung District.

There are **273** students enrolled at **Balkalyan Secondary School**.

Nilgiri Secondary School is located in a small village called Mehele in the Taplejung District. There are **422** students enrolled at Nilgiri Secondary School.

HUMAN PRACTICE FOUNDATION UK

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

HPF UK has donated £2,500 for renovation of classrooms at Ngarendare Primary school, located in a small village close to the Ngarendare forest 225 km north of Nairobi, close to Mount Kenya. There are 167 students enrolled at the school.

HPF UK has donated £10,000 for construction of classrooms at Patidada Secondary school in Nepal. Patidada Secondary School is located in a small village called Phakumba in the Taplejung District. There are 262 students enrolled at Patidada Secondary School. The school is in an extremely bad shape and do not have enough room to fit all the students.

Human Practice Foundation - Founding Partner contribution

Human Practice Foundation UK has supported HPF DK with founding partner contributions of £20,000. Human Practice Foundation DK operates based on a 100% Model. ALL administration costs and the indirect project costs (eg. project management) in Copenhagen are financed by HPF's Founding Partners, a group of loyal philanthropists, who by their yearly contributions, enables HPF to ensure that 100% of all other donations goes directly to project implementation in Nepal and Kenya with absolute transparency. This is a proven model, which is very attractive for other donors, who can see, that their donations do not support overhead costs.

Financial review

The net expenditure for the year amounted to £112,191 (2021 Income-£152,462).

Income received in the year totalled £111,836 (2021-£270,361) and primarily consisted of donations from supporters.

Expenditure totalled £224,969 (2021-£115,297) and was comprised of charitable expenditure as described above and support costs.

The charity held free reserves amounting to £40,271 as at 5 April 2022. These reserves are required to be retained to finance the ongoing working capital requirements of the charity. The Trustees are aware of the need to maintain this position and are constantly taking steps where possible to improve the position including raising additional funds from independent sources.

Structure, governance and management

The charity was established by a constitution (effective registration dated 6 December 2019) and was formed as a Charitable Incorporated Organisation.

The Trustees who served during the year and up to the date of signature of the financial statements were:

M Grodner	(resigned 9 July 2021)
C Barclay	(resigned 15 February 2022)
B Pomroy	(appointed 2 September 2021/resigned 6 September 2022)
J Turner	(resigned 15 February 2022)
P Andersen	(appointed 6 September 2022)
A Tonsgaard	(appointed 6 September 2022)
A Skoglund	(appointed 6 September 2022)
C Von Barnekow	(appointed 6 September 2022)
K Thykier	(appointed 6 September 2022)
M Bruun	(appointed 6 September 2022)
C Moser	(appointed 6 September 2022)

HUMAN PRACTICE FOUNDATION UK

TRUSTEES' REPORT (CONTINUED)

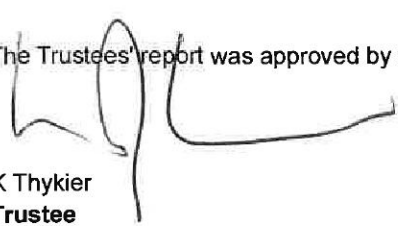
FOR THE YEAR ENDED 5 APRIL 2022

The power of appointment of new Trustees is vested in the Board. In selecting individuals for appointment regard will be given to their skills, knowledge and experience needed for the effective administration of the charity.

None of the Trustees of the charity has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The Trustees meet regularly in order to discuss the ongoing administrative and other issues arising and then implement the decisions made themselves. Thus there are no employees of the charity.

The Trustees' report was approved by the Board of Trustees.



K Thykier
Trustee

25 January 2023

HUMAN PRACTICE FOUNDATION UK

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 5 APRIL 2022

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 charity and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HUMAN PRACTICE FOUNDATION UK

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF HUMAN PRACTICE FOUNDATION UK

I report to the Trustees on my examination of the financial statements of Human Practice Foundation UK (the charity) for the year ended 5 April 2022.

Responsibilities and basis of report

As the Trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

S Coleman ACA
Gerald Edelman LLP
73 Cornhill
London
EC3V 3QQ

Dated: 25 January 2023

HUMAN PRACTICE FOUNDATION UK

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 5 APRIL 2022

		Total	Total
		2022	2021
	Notes	£	£
<u>Income from:</u>			
Donations and legacies	3	111,836	270,334
Investments	4	-	27
Total income		<u>111,836</u>	<u>270,361</u>
<u>Expenditure on:</u>			
Charitable activities	5	224,969	115,297
		<u>(113,133)</u>	<u>155,064</u>
Other recognised gains and losses			
Other gains or losses	10	942	(2,602)
Net (expenditure)/income for the year		<u>(112,191)</u>	<u>152,462</u>
Fund balances at 6 April 2021		152,462	-
Fund balances at 5 April 2022		<u>40,271</u>	<u>152,462</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

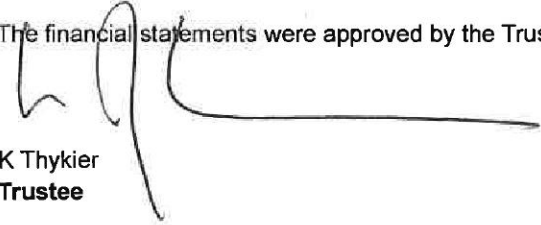
HUMAN PRACTICE FOUNDATION UK

BALANCE SHEET

AS AT 5 APRIL 2022

	Notes	2022 £	£	2021 £	£
Current assets					
Debtors	11	24,936		11,250	
Cash at bank and in hand		18,335		144,212	
		<u>43,271</u>		<u>155,462</u>	
Creditors: amounts falling due within one year	12	<u>(3,000)</u>		<u>(3,000)</u>	
Net current assets			<u>40,271</u>		<u>152,462</u>
Income funds					
Unrestricted funds			<u>40,271</u>		<u>152,462</u>
			<u>40,271</u>		<u>152,462</u>

The financial statements were approved by the Trustees on 25 January 2023


K Thykier
Trustee

HUMAN PRACTICE FOUNDATION UK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2022

1 Accounting policies

Charity information

Human Practice Foundation UK is a Charitable Incorporated Organisation. The charity is a Public Benefit entity as defined in FRS102. The registered office is 73 Cornhill, London EC3V 3QQ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Other income including investment income is included in the accounts on an accruals basis.

HUMAN PRACTICE FOUNDATION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 is classified by activity. The costs of each activity are made up of the total of direct costs and support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Support costs include governance costs represented by audit costs and other professional fees incurred in connection with the meeting of the charity's constitutional and statutory obligations.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

HUMAN PRACTICE FOUNDATION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

1 Accounting policies (Continued)

1.8 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.9 Taxation

As a registered charity it is exempt from tax on its activities which fall within the scope of part 10 ITA 2007 and section 256 of the Taxation of Chargeable Gains Act 1992.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	2022 £	2021 £
Donations and gifts	111,836	270,334

4 Investments

	2022 £	2021 £
Interest receivable	-	27

HUMAN PRACTICE FOUNDATION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2022

5 Charitable activities

	2022 £	2021 £
Projects in Kenya	64,993	58,493
Projects in Nepal	135,833	27,687
	<u>200,826</u>	<u>86,180</u>
Grant funding of activities (see note 6)	20,000	25,000
Share of support costs (see note 7)	4,143	4,117
	<u>224,969</u>	<u>115,297</u>

6 Grants payable

	2022 £	2021 £
Grants to institutions:		
Other	<u>20,000</u>	<u>25,000</u>

7 Support costs

	Support costs £	Governance costs £	2022 £	2021 £
Bank charges	423	-	423	179
Audit fees	-	3,000	3,000	3,000
Non audit fees	-	720	720	960
	<u>423</u>	<u>3,720</u>	<u>4,143</u>	<u>4,139</u>

Governance costs includes payments to the auditors of £3,000 for independent examination fees.

8 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year. No expenses were refunded to the Trustees in the year under review.

HUMAN PRACTICE FOUNDATION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2022

9 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Total	-	-

There were no employees whose annual remuneration was more than £60,000.

10 Other gains or losses

	2022 £	2021 £
Foreign exchange losses	(942)	2,602

11 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Income tax recoverable	24,936	11,250

12 Creditors: amounts falling due within one year

	2022 £	2021 £
Accruals and deferred income	3,000	3,000

13 Related party transactions

The sum of £20,000 (2021-£25,000) was paid by way of grant in the period to a related charity known as HPF Denmark. There were no other disclosable related party transactions during the year