



# **Humentum UK**

## **Trustees' Report and Accounts**

**For the year ended 30 September 2020**

<b>Company No.:</b>	<b>3986178</b>
<b>Charity No.:</b>	<b>1081406</b>

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## Report of the trustees for the year ended 30 September 2020

The trustees are pleased to present their annual report together with the financial statements of the charity for the year ended 30 September 2020 which are also prepared to meet the requirements for a directors' report and accounts for the Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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 (FRS 102), in addition to the Charities (Protection and Social Investment) Act 2016.

Humentum UK, formerly known as Mango, is a UK-registered charity, regulated by the Charity Commission for England and Wales. Humentum UK, signed an Affiliation agreement with InsideNGO, a not-for-profit organisation registered in Washington DC, USA. The affiliation appointed Humentum, formerly InsideNGO, as the sole member of Humentum UK.

### Chair's Report

As I write the global development sector is grappling with the ongoing implications of the COVID pandemic and its economic consequences. In the face of these unprecedented times, when the world's poorest and most vulnerable nations must also face these challenges, never has the role of the development sector been more important, and as a result Humentum's work more vital. Significant programmatic shifts are required which are only possible when supported by the operational excellence that Humentum seeks to enable. And the uncertainty and risk are accelerating changes in our sector in the areas where we want to strategically *influence such as new funding models, full cost recovery, localization, sustainable organizational capacity.*

As we look ahead, we can see that the structure of I/NGOs, their approach to development and the essence of partnerships in the sector will change. Like-minded organizations are likely to form alliances or even merge to ensure survival, both in terms of finance and relevance. There are tensions pulling the sector in multiple directions. Who does what from where is changing as donors increasingly seek to reach people more directly with local actors. The decline in funding from traditional donors and the increased number and diversity of actors involved in aid will drive competition for resources and access, necessitating the use of more creative and innovative approaches. The growing influence of private actors, who typically focus on activities with high returns on investments, and the push for value for money from donors will continue to pressure INGOs to operate more like profit-driven businesses – prioritizing efficiency and targets over more people led participatory approaches which put beneficiaries at the heart of development.

Against this backdrop the promise of Humentum is to reach more organisations globally, especially national NGOs, and to deepen and expand the impact we can have on their capability to deliver change for the communities they serve. And Humentum UK's commitment to strengthen excellence particularly in UK organisations continues.

This year saw the receipt of funding for three projects which was a major change in the way Humentum UK was funded. The first funding, one million US dollars, was received for a five-year project coordinated by Humentum UK and The Chartered Institute of Public Finance and Accountancy (CIPFA). The project to develop the first ever international financial reporting guidance for non-profit organisations was referenced in my report last year and further details of activity are included later in this report. The second grant funding was from DFID (FCDO) to

Humentum UK

research the impact of Brexit on NGOs, and some of the recommendations have already been undertaken to support UK NGOs. Lastly, we received funds from Austrian Development Agency to support disabled community organisations in Ethiopia. Progress on this last grant is difficult in the current climate with this community, not only due to the pandemic but the political situation in the country. However, the donor is supportive and prepared to provide extensions as required.

Over the year, with the pandemic we ceased our face-to-face training. However, we saw a promising uplift in online training as we provided more courses and flexible study methods. We continue to ensure all our programmes are attractive, accessible, and affordable. To that end we are pleased we have been able to continue the Help for Fees support, due to the generous donations of Deb Appleby and the ICAEW Foundation.

As the impacts of the pandemic on the world's most vulnerable people, the development sector and Humentum UK evolve we remain focussed and confident that as a fully remote working organisation with a robust online learning offering Humentum is well positioned to adjust quickly. Our role as a voice of the sector to FCDO and other policy makers will be vital to ensure the sector's response to the crisis is as effective for the sustainability of the sector and the people we serve.

In closing, I would like to share my gratitude to our sponsors, the staff and the I/NGOs who continue to work with us. To know more about Humentum, visit our website at [www.humentum.org](http://www.humentum.org)

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**Helen McEachern**

Chair

## Our purposes and activities

The new mission of the charity is to:

- Partner with the global development community to be an equitable, accountable, and resilient force for social good.

Humentum and Humentum UK share a strategic plan to strengthen humanitarian and development organizations and advocate for data-driven policies and standards to benefit the entire sector.

Humentum UK's mission fits within the objects set out in its' Memorandum and Articles of Association:

- To promote the efficiency and effectiveness of charities and the work of other voluntary organisations which are exclusively charitable, in particular (but without restricting the generality of the foregoing) in assisting non-governmental organisations with their charitable work in the relief of poverty.

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

In shaping the objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance Public Benefit: running a charity (PB2). The charity relies on income from fees and charges to cover its operating costs. The trustees ensure that this purpose is carried out for the public benefit by delivering services that are valued by the global development community, these are:

- Building community through our online networking platform and events
- Advancing individual and organizational capability through online training and content
- Providing solutions to organization-wide problems through our consultancy service
- Creating and advocating for data-driven policies and standards that address sector-wide challenges

Affordability and accessibility to our programme is important to us. The global development community can access Humentum UK's services via Humentum's website and through Humentum's growing international and social media-based networks. Humentum UK encourages the smallest local NGOs with limited funds to access free resources through its website or to apply for bursaries for Humentum UK's fee-based services. Humentum UK seeks regular feedback on the quality of our work and the benefits that it creates for NGOs and their beneficiaries.

In the year to 30 September 2020, we worked towards Humentum UK's mission, pursuing the strategic goals of Humentum. There were three overarching objectives set for Humentum UK:

1. *Continue with Humentum UK's long-term mission of strengthening financial management and the financial security of the sector.*
2. *Expand on the mission to reach more people, through technology.*
3. *Continue to make progress on the historic change agenda around funding rules, fair cost recovery and global standards.*

The strategies employed to achieve the charity's aims and objectives for 2020 are to:

- achieve a surplus of £100k+ to re-build reserves.
- enhance the digital offer and reduce the dependency on face-to-face classroom learning

- become the go-to network for any development actor seeking to solve operational challenges; and
- lead the development of international standards in non-profit financial management

The global pandemic necessitated:

- A sharp pivot to online services to account for pandemic unknowns, with
- A reorientation of strategy content to account for pandemic unknowns, shifts in sector priorities and concerns and estimated long-term traction of observed changes

Humentum UK has four major service areas:

### **Consulting**

Through a global team of 40+ associate consultants, we deliver tailored management advice and support to our clients to strengthen their operations and organisational performance. Our Capacity Development programme uses local teams to combine our training and consultancy expertise to cultivate organisational effectiveness and resilience for partners in financial management.

### **Learning**

We provide accessible learning solutions for those creating social impact by building a nurturing, supportive and fun learning community where peers collaborate, share and network. We create and provide products that deliver long-term impact to organisations and we offer continued support, guidance, and certification for an extended learning journey. Our learning is timely addressing the challenges most relevant to our learners. Always, we will listen to the wider community to inform and improve our offerings.

In 2020, with the impact of Covid-19, many of the existing face to face courses were available online. The frequency of start dates was increased. The investment made last year in new financial management products, including FMD Pro Flex, an online offering based upon our Financial Management D-Pro standard, a globally recognised certification enhanced our offering to be more valuable and accessible for financial management leaders in the pandemic.

Our flexible in-house and organisational learning services put organisation's learning needs at the centre, offering flexibility in terms of timing and course content.

### **Convening**

Humentum UK conducts regular finance directors' meetings focused on key leader's needs, issues, and priorities. We also continue to support the Charity Finance Group's special interest group for international charities by providing the Chair of the steering committee and in planning and facilitating these meetings. We will continue to connect the sector co-creating solutions to operational problems and developing new, local, and regional community hubs.

### **Insights and influence**

Humentum aims for the impactful, cost effective, equitable and ethical stewardship of development and humanitarian assistance. To achieve this, we advocate for:

- Efficient and effective program delivery (with an emphasis on localization<sup>1</sup>)
- Strong financial management (with an emphasis on full cost recovery)
- Regulatory compliance (with an emphasis on the elimination of waste, fraud, and the diversion of funding)
- Equity and inclusion in the design, funding, and implementation of development and humanitarian programming.

Humentum prioritizes advocacy with our members' primary donor agencies, including the various donor agencies of the US Government (including USAID, USDOS, CDC), and the UK Government – two of the global leaders in development and humanitarian assistance funding. We do so by elevating member concerns, analyzing donor guidance and policy shifts, engaging in the regulatory process, and seeking solutions to challenges as they arise.

## **Achievements and Performance**

The achievements during 2020 are set out against each of the objectives.

**Objective 1.** *Continue with Humentum UK's long-term mission of strengthening financial management and the financial security of the sector*

### *Learning*

During 2020, Humentum UK conducted 14 courses (2019: 32) on financial management in seven locations (2019:15). The impact of Covid-19 meant that all face-to-face learning ceased in March 2020, and subsequent training was conducted online. There was a total of 248 (2019: 398) attendees on the courses. In responding to organisations' needs, a total of 14 financial management workshops (2019:53) were run in-house, tailored to the client. These workshops reached 387 (2019: 775) people in total.

With Covid-19, the move to a digital offer became a greater priority and existing face to face courses were adapted to make the pivot to meet the sector demand for affordable and quality online training. The pandemic resulted in the increased availability of online alternatives. This income is recorded under Objective 2.

### *Consultancy*

A total of 33 (2019: 43) assignments, 588 (2019: 757) consultancy days, were completed during 2020. Key assignments included to collect and analyse system wide costs for a large group, improving financial benchmarking and forecasting and assessment of an organisation' s system, procedures, processes and future requirements.

Longer-term capacity development programs helped to improve financial capacity in local NGOs, to cultivate organisational effectiveness and resilience for partners in financial management. In 2020 there were 10 (2019: 12) assignments.

In December 2019, a grant (£139k) was received from the Austrian Development Agency to provide Technical assistance for CSOs and Disabled People's organisations (DPOs) in Ethiopia. This grant covers the period from 1 Dec 2019. The grant ends on 20 April 2021.

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<sup>1</sup> Based on localization theory and practice, Humentum also believes that localization includes the principle of complementarity, balancing the local with the international to exploit the comparative advantages of both.

The organisation spent £806k (2019: £1,678k) to achieve the activities under Objective 1.

**Objective 2.** *Expand on the mission to reach more people, through technology*

*Learning*

During 2018/19 the shift to online courses had commenced with the launch of the financial management D-Pro Flex in June. Flex courses allow larger training cohorts to access the online training over a 9 to 12-week period and can be offered at a substantially lower price than our face-to-face training. In 2019/20, due to the pandemic the number of online courses increased to 24 (2018/19: 15). The subject matters including fraud prevention, budget monitoring essentials and International Aid Transparency Initiative (IATI).

The total people reached were 794 (2019: 455) during 2019/20. The organisation spent £95k (2019: £137k) to achieve this activity.

**Objective 3.** *Continue to make progress on the historic change agenda around funding rules, fair cost recovery and global standards*

*Global Standards*

The International Financial Reporting for Non-Profit Organisations (IFR4NPO) initiative was launched in July 2019. IFR4NPO aims to bring clarity and consistency to the Not-Profit Organisations (NPO) sector which must win the trust of its many national and international stakeholders through consistent, high quality financial reporting. The initiative also endeavours to reduce the current burden and duplication of effort for both NPO and funders in meeting multiple and, at times, conflicting financial reporting requirement.

In the year ended 30 September 2020, Humentum UK obtained funding of £789k from The Foundation to Promote Open Society (FPOS) and The Ford Foundation. During the year, two global groups of committed professional advisors were recruited and convened. They contributed 174 days' worth of voluntary expertise and energy to leverage the two full-time. The first group, the Technical Advisory Group (TAG), is composed of national accounting standard setters and an observer from the International Accounting Standards Board. The second group, the Practitioners Advisory Group (PAG), is composed of representatives who work for auditors (appointed through the global Forum of Firms), funders such as USAID and the Ford Foundation, non-profit organisations and academics who specialise in research into the non-profit sector.

The first stage of the project is to develop a Consultation Paper to elicit feedback on key decisions and approaches from stakeholders all over the world. After 16 (mostly online) meetings, and on consideration of over 2,000 review comments from advisory group members, the 200+ page document is near final stage, on track for publication in January 2021.

*Mitigating the impact of the withdrawal of EU funding*

This research with funding from FCDO (£66k) started in September 2019 and combined data collection and analysis, interviews with INGO staff and other stakeholders and predictions based on our long experience of working closely with these INGOs over the last decade and advising many of them on their financial management, cost recovery and financial sustainability.

The reports and analysis have been shared with the organisations that participated in the research as well as the UK government but are not in the public domain. One of the sets of recommendations identified was the need to mitigate the risks and financial impact on UK INGOs of volatility in the foreign exchange markets in the current context. This led to the UK



government agreeing for some of the grant funding to be used to develop a practical tool to help INGOs improve how they manage their treasury and foreign exchange, which was launched in October 2021.

### *Convening*

During the year, one UK-based face to face finance director seminar was held in December 2019. The topic was around risk management. Due to the pandemic, the quarterly face to face seminars were replaced by monthly global senior finance meetings. The online seminars were provided free to all participants to recognise the challenges faced by these senior professionals at this time.

The organisation spent £759k on these activities under Objective 3 (2019: £57k).

### **Fundraising**

The primary aim of Humentum UK's voluntary fundraising is to improve the access to Humentum's service for small local NGOs in developing countries. Humentum UK seeks funding from organisations and individuals supportive to its mission. Humentum UK raises funds by a direct approach to relevant organisations, or to individuals through online social platforms such as JustGiving. Humentum UK does not make direct contact with individuals, hence does not make unreasonable intrusion on vulnerable people. Humentum UK did not use any professional fundraiser or any commercial participator in raising its funds. In carrying out its fund-raising activities, Humentum UK did not receive any complaints about its fundraising during 2019/20 and registered with Fundraising Regulator during the year. Humentum UK complied with Fundraising Regulator regulations and that there were no instances of non-compliance.

### *Training Bursary Fund*

In 2020, we awarded nine bursaries (2019: 2) with a total value of £3k (2019: £2k). These bursaries helped eight individuals to participate in online training courses. The participants were located across Africa and the Middle East.

We are very grateful for the long-term support of our largest donor, Deb Appleby, who has helped hundreds of participants from small local NGOs to develop their skills and confidence in financial management through Humentum's training. The ICAEW Foundation also continues to support our bursary programme.

### **Financial review**

2019/20 brought a significant change in the sources of income. During the year, we received more income from donors with new grant funding. The new restricted income of £1,001k, resulted in total income increasing by 24% from £1,703k in 2018/19 to £2,119k in 2019/20.

Due to the Covid-19 pandemic, training face to face ended in March 2020. We were able to pivot quickly to offer online financial management courses developed during 2019 as an alternative. More online courses were run to compensate for the inability to run courses in person and to meet the increasing demand.

We continued to see a decline in total financial management training over the prior year, not helped by the pandemic, although we were encouraged by the increase in online learning. Consultancy and capacity development services were also impacted by the pandemic as clients

understandably focused on the immediate issues caused by the pandemic. We were able to complete work remotely as clients accepted and adapted to the new “norms”.

Due to the new sources of funds the charity was able to make a surplus of £459k in the year, compared to a deficit of £169k in 2019. Total reserves are £616k as of 30 September 2020.

### **Income**

For the year ended 30 September 2020, the principal sources of funding of income were £1,001k (2019: £45k) from donations, £626k (2019: £961k) from consultancy and £426k (2019: £695k) from training income. The donations, being grant income, is a new income source for 2020, whilst consultancy and training income decreased by -35% and -39% respectively, due to the pandemic. Total income increased by £416k (+24%) for the year, being £2,119k.

### **Expenditure**

Total expenditure for the year ended 30 September 2020 was £1,660k compared to £1,872k (-11%). Direct costs increased by £29k (+2%) from £1,436k to £1,465k. The increase in direct costs reflects the increase in income, but not proportionally due to the change in mix of income to grant income from consultancy and training income. The overall decrease in expenditure was due to the attribution of support costs from Humentum to Humentum UK.

Support costs were £195k for the year ended 30 September 2020 compared to £436k (-55%) for the year ended 30 September 2019. Following a review of support costs allocated between Humentum and Humentum UK, only UK staff and governance costs were charged to Humentum UK. In the prior year, total group support costs were charged to Humentum UK, based on revenue. An indirect cost charge was made to Humentum for UK staff and is included within support costs.

### **Reserves policy and going concern**

The unrestricted reserves of Humentum UK exist to bridge the gap between fixed costs and income receipt, taking into account any potential risks related to income. The trustees recommend a reserves policy of maintaining unrestricted reserves at three months budgeted expenditure, for governance and staff costs net of direct costs recovered from projects. Three months of budgeted expenditure for 2021 is £126k. On 30 September 2020, unrestricted reserves were £169k (2019: £141k). A review of the allocation of Humentum’s support expenses occurred during 2020. With additional cost support from Humentum, the unrestricted reserves now exceed the amount required under the approved reserves policy.

The trustees reviewed their responsibilities in assessing the going concern basis of accounting as appropriate, considering uncertainties in relation to the future solvency and liquidity risks. In 2020, with the pandemic the charity was able to pivot from face-to-face training to online activities quickly and seamlessly providing an ongoing source of income. The charity also commenced receiving grant income from new sources providing further resilience to its future. In addition, the trustees discussed the financial viability of Humentum UK. A decision was made to show its sources of income as those from UK entities and its associated costs, instead of only recording income from financial management services. This change not only reflects the dedicated support of its member Humentum, but the changing nature of integrated services provided to organisations. Humentum’s unrestricted reserves are over two million US dollars as of 30 September 2020.

Restricted funds, which are tied to specific purposes, were £447k as of 30 September 2020 (2019: £16k).

### Plans for future periods

Over the next year, we will work to create organisational offers that integrate the full services of Humentum, including consulting, learning, peer communities and insight, to deliver solutions and new value that help transform the capabilities of UK organisations.

Humentum UK's work is never more needed than now to support the UK community. Going forward Humentum UK will be:

- **The go-to community builder.** We will capture insight and co-create transformational solutions by catalyzing connections amongst our members and stakeholders
- **The go-to learning provider.** We will grow the global development community's capacity and competency by leveraging digital content and know-how
- **The go-to problem solver.** We will increase financial sustainability and program agility by designing customized solutions through consultancy
- **The go-to advocacy partner.** We will transform the enabling environment by influencing the sector's response to operational and policy challenges

Looking ahead, we will continue to align our work and resources to deliver value in this time of challenge and change for our sector. Our new mission could not be more important nor more relevant:

- Partner with the global development community to be an equitable, accountable, and resilient force for social good.

The aims and objectives for 2020/21 are:

- to enhance the digital offer prioritizing digital/virtual/remote approaches first as permanent solutions
- to develop strong regional constituencies with market approaches adapted to their specific needs and priorities; we will help global INGOs and donors better navigate the shift to localization
- to strengthen our capture and use of insights across our delivery channels, to influence the sector's response to operational and policy challenges
- to improve and develop our business development processes

We will enable more organizations with our consultancy expertise for financial sustainability and program agility and engage more donors with advocacy and capacity building solutions to drive change.

We continually assess the impact of Covid-19 on our income and we determine there is no material uncertainty about the going concern of the organisation due to the ability to continue activity on the international standards project, the switch to digital and through developing more online assessment tools for our consultancy work.

**Reference and Administrative Details**

Charity number: 1081406

Company number: 3986178

Registered Office: c/o Critchleys LLP, Beaver House, 23-38 Hythe Bridge Street, Oxford,  
OX1 2EP

*Our advisers:*

Auditors: MHA MacIntyre Hudson, 6<sup>th</sup> Floor, 2 London Wall Place, London EC2Y  
5AU

Bankers: CafCash Limited, Kings Hill, West Malling, Kent, ME19 4TA

*Directors and trustees*

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. The trustees and officers serving during the year and since the year end were as follows:

Chair: Toby Porter (resigned 29 October 2019)  
Helen McEachern (appointed 30 October 2019)

Treasurer: Kim Schwartz

Trustee: Tami Ward-Dahl

Secretary: Jocelyn Boughton

**Member**

Humentum, a not-for profit organisation 501(c)(3) registered in Washington DC, USA

**Senior management personnel (Humentum)***Chief Executive Officer:*

Chris Proulx (appointed 1 August 2019 to 17 November 2019 as interim)

Christine Sow (appointed 18 November 2019)

**Senior management personnel (Humentum UK)**

*Global Director, Insights & Influence:* Tim Boyes-Watson

*Global Director, Finance & Administration:* Jocelyn Boughton

## **Structure, Governance and Management**

### ***Governing Document***

Humentum UK, formerly known as Mango, is a UK-registered charity, regulated by the Charity Commission for England and Wales. It is constituted as a company limited by guarantee. The organisation is bound by its Memorandum and Articles of Association, copies of which are available on request. In July 2017, Humentum UK, signed an Affiliation agreement with InsideNGO, a not-for-profit organisation registered in Washington DC, USA. The affiliation appointed Humentum, formerly InsideNGO, as the sole member of Humentum UK. Humentum as sole member has the power to appoint and remove directors of the company and trustees of the charity.

### ***Appointment of trustees***

Humentum appointed the trustees listed above as part of the Affiliation agreement. Nominations for new trustees are considered by the Humentum Board and may subsequently be invited to join the Humentum UK board. The management team of Humentum UK holds executive responsibility for implementing the policies and strategies approved by the board.

### ***Trustee induction and training***

New trustees are provided with an induction to familiarise them with the charity and the non-governmental organisation sector and to brief them on their responsibilities as trustees under charity and company law. New trustees are referred to the Charity Commission's guide "How to be an effective trustee". Existing trustees are informed of any changes in their legal obligations under charity and company law, the Charity Commission Guidance on public benefit and inform them of the content of the Memorandum and Articles of Association, the decision-making processes, the business plan and recent financial performance of the charity. Trustees are encouraged to attend appropriate training events where these will facilitate the undertaking of their role. The trustees are invited to events to meet staff and other trustees when organised.

### ***Organisation***

The board of trustees, which can have up to four members, administers the charity. The board normally meets quarterly. Under the affiliation agreement, the Chief Executive Officer (CEO) of Humentum UK is the same as the CEO of Humentum. To facilitate effective operations the CEO has delegated authority, with terms of delegation approved by the trustees, for operational matters including finance, employment, and other operational activity.

### ***Related parties and co-operation with other organisations***

None of the trustees receive remuneration or other benefit from their work with the charity. Trustees were reimbursed for expenses in attending board meetings. Humentum, as the sole member of Humentum UK receives cash on behalf of Humentum UK as remittances for its charitable activities, which is remitted monthly in arrears to the charity. Details of directors' expenses and related party transactions are disclosed in note 7 to the accounts.

### ***Pay policy for senior staff***

The directors consider the board of directors, who are Humentum UK's trustees, and the senior leadership team (SLT) comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis. All directors give their time freely and no director received remuneration in the year.

The pay of the senior staff is reviewed annually. In view of the nature of the charity, salaries are benchmarked against pay levels in other NGOs of a similar size. The remuneration benchmark is the mid-point of the range paid for similar roles. All salaries are set by Humentum, with the Chief Executive Officer's salary set by the Humentum Board, rather than the Humentum UK Board.

### ***Risk Management***

The trustees have a risk management strategy which comprises:

- A regular review of the risk register to confirm the principal risks and uncertainties that Humentum and Humentum UK are facing
- The establishment of policies, systems, and procedures to mitigate those risks
- The implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise

The major risk identified for Humentum is its financial sustainability due to the lack of predictability of its income streams. Action was taken to downsize the organisation to reduce the cost base, in addition to restructuring to focus on obtaining more reliable income sources.

For Humentum UK, the trustees identified the risk associated with declining reserves in the prior year and reviewed with management the income and cost allocation to Humentum UK from Humentum in order to rebuild the reserves in line with its reserve policy.

The changing compliance needs in the UK charity sector were also identified as a risk by the UK trustees. The need to ensure adequate mechanisms are in place for identifying, acting on and reporting on serious incidences to the Charity Commission was added to the risk register for appropriate mitigation, particularly around data breaches and/or safeguarding incidences.

### **Trustees' Responsibilities in relation to the financial statements**

The trustees are responsible for preparing a trustees' annual report and 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. Under that law the trustees have elected to prepare the accounts in accordance with Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). Under company law the trustees must not approve accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources for that period. In preparing these accounts, 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 UK accounting standards are 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.

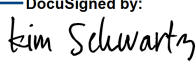
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the financial position of the charitable company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Statement as to disclosure to our auditors**

In so far as the trustees are aware,

- there is no relevant audit information, information needed by the company's auditors in connection with preparing their report, of which the company's auditors are unaware; and
- each trustee has taken all the steps that he ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report was approved by the trustees and signed on their behalf by:

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Kim Schwartz

Treasurer

Date: 26<sup>th</sup> January 2021

## **Independent Auditor's Report to the members of Humentum UK**

### **Opinion**

We have audited the financial statements of Humentum UK (the 'charitable company') for the year ended 30 September 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as of 30 September 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

### **Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and,



except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

### **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 Trustees' annual report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' annual report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters in relation to which 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' annual report and from the requirement to prepare a strategic report.

### **Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement of the Trustees' annual report, 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.


### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's 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.

DocuSigned by:  
  
68D401263D6943D...

**Sudhir Singh FCA** (Senior Statutory Auditor)

For and behalf of MHA MacIntyre Hudson  
Chartered Accountants and Statutory Auditors  
2 London Wall Place  
London  
EC2Y 5AU

Date: 2/8/2021

**Humentum UK**  
**Statement of Financial Activities, including the income and expenditure account**  
**for the year ended 30 September 2020**

	<i>Note</i>	Unrestricted Funds	Restricted Funds	Total Funds 2020	Total Funds 2019
<b>Income</b>		£000's	£000's	£000's	£000's
Donations	3	1	1,000	1,001	45
Income from charitable activities	2	1,052	66	1,118	1,656
Other Income		-	-	-	2
<b>Total Income</b>		<b>1,053</b>	<b>1,066</b>	<b>2,119</b>	<b>1,703</b>
<b>Expenditure</b>					
Costs of raising funds		-	-	-	-
Expenditure on charitable activities	4	1,025	635	1,660	1,872
<b>Total Expenditure</b>		<b>1,025</b>	<b>635</b>	<b>1,660</b>	<b>1,872</b>
<b>Net income/ (expenditure) and net movement in funds for the year</b>		<b>28</b>	<b>430</b>	<b>458</b>	<b>(169)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		141	16	157	326
<b>Total funds carried forward</b>		<b>169</b>	<b>447</b>	<b>616</b>	<b>157</b>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

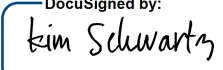
The notes on pages 20 to 29 form part of these accounts.

**Humentum UK**  
**Balance Sheet as at 30 September 2020**

	Notes	2020		2019	
		£000's	£000's	£000's	£000's
<b>Fixed Assets</b>	12				
Tangible assets			-		-
Intangible assets			9		14
<b>Total Fixed Assets</b>			<b>9</b>		<b>14</b>
<b>Current Assets</b>					
Debtors	13	613		364	
Cash at bank and in hand		368		45	
<b>Total Current Assets</b>		<b>981</b>		<b>409</b>	
<b>Liabilities</b>					
Creditors falling due within one year	14	(374)		(266)	
<b>Net Current assets</b>			<b>607</b>		<b>143</b>
<b>Total assets less current liabilities</b>			<b>616</b>		<b>157</b>
<b>Net Assets</b>			<b>616</b>		<b>157</b>
<b>Represented by</b>	17				
Unrestricted funds			169		141
Restricted funds			447		16
<b>Total Funds</b>			<b>616</b>		<b>157</b>

The notes on pages 20 to 29 form part of these accounts.

These accounts were approved and authorised for issue by the trustees on 26th January and signed on their behalf by:

DocuSigned by:  
  
 BB6BBBCB9D0442D...  
 Kim Schwartz, Treasurer.

Company number: 986178

Charity number: 1081406

**Statement of Cash Flows**  
**for the year ended 30 September 2020**

	2020 £000's	2019 £000's
<i>Cash flows from operating activities</i>		
<b>Net cash provided by operating activities</b> (reconciliation below)	<u>324</u>	<u>(164)</u>
<i>Cash flows from investing activities</i>		
Purchases of intangible assets	-	(17)
Change in cash and cash equivalents in the reporting period	323	(164)
Cash and cash equivalents at the beginning of the reporting period	<u>45</u>	<u>226</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	<u><b>368</b></u>	<u><b>45</b></u>
<i>Reconciliation of net income to net cash flow from operating activities</i>		
Net income/(loss) for the reporting period	458	(169)
<i>Adjustments for:</i>		
Amortisation charged	6	3
(Increase) / Decrease in debtors	(249)	152
Increase / (Decrease) in creditors	<u>108</u>	<u>(150)</u>
	<u><b>324</b></u>	<u><b>(164)</b></u>

**Humentum UK**  
**Notes to the Accounts**  
**for the year ended 30 September 2020**

**1. Accounting policies**

**a) Basis of preparation**

Humentum UK is a charitable company registered with the Charity Commission (charity registered no. 1081406) in England and Wales. The address of the registered office and nature of the charity's operations and principle activities are detailed in the Trustees' Report. The financial statements have been prepared in accordance with Accounting and Reporting by Charities : Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Ireland (FRS 102) and the Companies Act 2006.

Humentum UK meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £'000.

**b) Income**

Income is recognised when the charity becomes legally entitled to the funds, any performance conditions attached to the item(s) of income have been met, it is reasonable certain of receipt and it can be measured. Where income is received in advance of its recognition, it is deferred and included in creditors. Where entitlement occurs before income is received the income is accrued and included in debtors. All training income is recognised in the month that the course commences. Consultancy income is recognised according to specific milestones agreed in the contract , or as work is completed if no milestones exist. Accrued income (WIP) is income which has been earned but not yet invoiced or received. Income is recorded in the accounting period in which it is earned. Therefore, accrued income is recognized in the accounting period in which it arises rather than in the subsequent period in which it will be received.

**c) Donated services**

Donated services (gifts in kind) are recorded at the market value that Humentum UK would normally pay for such services and gifts, when the risks or rewards of the service or item are transferred to Humentum UK. Donated services are recognised in the accounts when they are of material value to the charity.

**d) Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally on notification of the interest paid or payable by the bank.

**e) Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the charity for specific purposes. The aim and use of each restricted fund is set out in the notes to the accounts.

**f) Expenditure and Irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is allocated to the activity for which each specific cost was incurred. Expenditure is classified under the following activity headings:

- Cost of raising funds
- Expenditure on charitable activities includes the costs incurred on grants, providing training , consultancies and capacity development programmes, other activities undertaken to further the purposes of the charity and their associated support costs.

Humentum UK is partially exempt from VAT. Irrecoverable VAT is allocated within support costs. In the year ended 30 September 2020, Humentum UK incurred £12,224 (2018: £11,210) of irrecoverable VAT.

**Humentum UK**  
**Notes to the Accounts**  
**for the year ended 30 September 2020**

**1. Accounting policies**

**g) Foreign exchange gain/loss**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. All gains and losses are taken to the statement of financial activities as they arise. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date. The year-end rate is based on the exchange rate in each currency as at 30 September. Humentum UK minimises the exposure of foreign exchange fluctuations by transacting in GBP, USD or other hard currencies. Wherever possible, expenditure is paid from a bank account of the same currency. Bank transfers between currencies are minimised.

**h) Allocation of support costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, HR, payroll and governance costs which support the Humentum UK's objectives. In 2019/20, support costs relate only to Humentum UK. In 2018/19, the shared support costs for Humentum and Humentum UK are allocated to Humentum UK based on the ratio of UK income to total income. Total support costs are allocated to each of the objectives, on the same proportion as the direct costs of that objective, as set out in note 4.

**i) Operating leases**

Rentals payable under operating leases are charged to resources expended on a straight line basis over the lease term. Lease incentives are also spread over the lease term.

**j) Tangible fixed assets and depreciation**

Individual fixed assets costing £1,200 or more are capitalised at costs and are depreciated over their estimated useful economic life on a straight line basis. Computers, projectors and software are depreciated over three years. All assets are held for direct charitable purposes.

**k) Intangible assets and amortisation**

Intangible fixed assets are non-monetary fixed assets that do not have physical substance but are identifiable and are controlled by the charity through custody or legal rights. Although such assets lack physical substance they provide an on-going economic benefit to the charity.

Humentum UK's intangible assets include the development of new courses. The development is capitalised at cost and is amortised over their economic life (three years) using the straight line method from the point the course is available.

**l) Financial Instruments**

The charity only holds basic Financial Instruments. The financial assets and financial liabilities of the charity are as follows:

- Debtors: trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments.
- Cash at bank: is classified as a basic financial instrument and is measured at face value.
- Liabilities: trade creditors, accruals and other creditors will be classified as financial instruments and are measured at amortised cost as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

**m) Pensions**

The company operates a defined contribution pension scheme, the Humentum UK Group Personal Pension Scheme, the assets of which are held in external funds. Contributions of 5% of pensionable salary during the period are charge to the statement of financial activities as they become payable. All pension contributions are allocated to unrestricted funds.

**Humentum UK**  
**Notes to the Accounts**  
**for the year ended 30 September 2020**

**n) Preparation of the accounts on a going concern basis**

The accounts have been prepared on a going concern basis as the trustees believe that whilst some uncertainties exist relating to the business and operational environment in which the charity operates worldwide, due in particular to the Covid-19 pandemic, these are not considered to have a significant impact on operations and in their opinion there are no material uncertainties identifiable for the foreseeable future, which is for a period of at least 12 months from the date of approval of their financial statements. Humentum UK continues to have the financial support of its sole member Humentum.

**o) Significant accounting estimates and judgements**

Humentum UK makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. There are no significant estimates and judgements disclosed in the current reporting period or the prior year.

**p) Redundancy and Termination Benefits**

Redundancy and Termination benefits, which include both statutory and ex gratia amounts, are those amounts payable as a result of a decision by the charity to terminate an employee's employment before their normal retirement date and are charged on an accruals basis to the relevant expense category in the Income and Expenditure account. Ex gratia payments, reflect the amount of weekly pay paid above the statutory capped amount for redundancy.

**2. Details of Charitable Income**

Funds received for charitable activities, analysed by Humentum UK objective is as follows:

	2020 Unrestricted Funds £000's	2020 Restricted Funds £000's	2020 Total Funds £000's	2019 Total Funds £000's
<b>Objective</b>				
<i>Strengthening financial management and financial security of the sector</i>				
Training	270	-	270	584
Consultancy	626	-	626	961
<i>Mission to reach more people</i>				
Training	152	-	152	92
<i>Progress the change agenda around funding rules, fair cost recovery and global standards</i>				
Training	4	-	4	19
FCDO	-	66	66	-
	<b>1,052</b>	<b>66</b>	<b>1,118</b>	<b>1,656</b>



**Humentum UK**  
**Notes to the Accounts**  
**for the year ended 30 September 2020**

**3. Donations**

<b>Unrestricted donations, sponsorship and associated support</b>	<b>2020</b>	<b>2019</b>
<i>Received from:</i>	<b>£000's</b>	<b>£000's</b>
Donations from individuals	1	1
Corporate donations and sponsorship		
-Stone X	-	22
-Charity Finance Group	-	6
<b>Total</b>	<b>1</b>	<b>29</b>

<b>Restricted income</b>	<b>2020</b>	<b>2019</b>
<i>Received from:</i>	<b>£000's</b>	<b>£000's</b>
Deb Appleby	6	10
ICAEW Foundation	6	6
Austrian Development Agency	139	-
Foundation to Promote Open Society (FPOS)	385	-
Ford Foundation	404	-
BDO	2	-
Services donated in kind	58	-
<b>Total</b>	<b>1,001</b>	<b>16</b>

**Stone X and the Charity Finance group** sponsor a series of treasury events and seminars for finance directors to enable senior staff of NGOs to learn about new developments in NGO finance, treasury and foreign exchange management and to share their experience.

Donations received from **Deb Appleby and ICAEW Foundation** are to provide training bursaries. The bursaries allow staff from small local NGOs to attend our training courses in developing countries.

The **Austrian Development Agency** grant is for the project : Bridging the gap: Technical assistance for CSOs and Disabled People's organisations (DPOs)- a project to support CSOs and DPOS in Ethiopia. This grant started on 01 December 2019 and ends on 20 April 2021. This is government funding and there were no unfulfilled conditions or other contingencies attached to these government grants.

IFR4NPO, an initiative to develop global financial reporting guidance for Non-Profit Organisations is funded by **Foundation to Promote Open Society (FPOS) and Ford Foundation**. The grant from FPOS started on 01 June 2019 and ends on 31 December 2024. The grant from the Ford Foundation started on 01 May 2020 and ends on 31 May 2021.

**BDO** provided funds to sponsor a Practitioner Advisory Group meeting in December 2019.

134.5 days of technical time and travel costs of £11K for advisory group meetings were donated by 28 organisations and individuals for the IFR4NPO project.

**Humentum UK**  
**Notes to the Accounts**  
**for the year ended 30 September 2020**

**4. Details of Charitable expenditure**

The amount spent on charitable activities, including support costs analysed by Humentum UK objective is as follows:

<b>Objective</b>	<b>2020 Direct costs £000's</b>	<b>2020 Support costs £000's</b>	<b>2020 Total costs £000's</b>	<b>2019 Total costs £000's</b>
Strengthening financial management and the financial security of the sector	714	92	806	1,678
Mission to reach more people	84	11	95	137
Progress the change agenda around funding rules, fair cost recovery and global standards	667	92	759	57
<b>Total</b>	<b>1,465</b>	<b>195</b>	<b>1,660</b>	<b>1,872</b>

**5. Analysis of support costs**

	<b>2020 £000's</b>	<b>2019 £000's</b>
Administration	70	236
Finance (note 6)	57	63
Governance (note 7)	35	44
HR	14	3
IT	-	43
Marketing	16	37
Programme Support	3	10
	<b>195</b>	<b>436</b>

**6. Finance Costs**

	<b>2020 £000's</b>	<b>2019 £000's</b>
<i>Finance costs are after charging the following amounts for:</i>		
Amortisation	6	3
Irrecoverable VAT	12	11
Realised exchange loss	12	7

**7. Governance Costs**

	<b>2020 £000's</b>	<b>2019 £000's</b>
Staff costs	12	18
Audit fees	13	19
Support costs	10	7
	<b>35</b>	<b>44</b>

Governance costs include all costs directly related to meeting the charity's statutory requirements, including staff time spent supporting the board of trustees.

**Humentum UK**  
**Notes to the Accounts**  
**for the year ended 30 September 2020**

**8. Trustees' remuneration, related party and other transactions**

Reimbursed expenses in the year were £nil (2019: £880 for two trustees to travel to meetings). During the year salaries and expenses of £420k (2019: £158k) relating to Humentum, the sole member of Humentum UK, were paid by Humentum UK. In addition, training fees of £174k (2019: £471k) was collected by Humentum on behalf of Humentum UK and income of £12k (2019: £15k) was received by Humentum UK, for services provided by Humentum. At the year end, the amount owed to Humentum UK from Humentum was £277k (2019: £42k), which includes £14k for training fees collected by Humentum which were not paid to Humentum UK as at 30 September 2020 (2019: £2k). Note 16. provides more details on the relationship between Humentum and Humentum UK.

**9. Director and employees**

The average number of staff during the year to 30 September 2020 including full time and part time employees was 14 (2019: 15). Employee emoluments were as follows:

	<b>2020</b>	<b>2019</b>
	<b>£000's</b>	<b>£000's</b>
Staff salaries	641	657
Social Security costs	65	71
Pension Contributions	30	27
	<u>736</u>	<u>755</u>

The remuneration of the CEO was paid by Humentum. Staff costs include remuneration paid to key management personnel, including employers' national insurance, was £217,406 (2019: £218,800). Statutory redundancy payments of £9,146, pay in lieu of notice £8,700 and an ex gratia payment of £893 were paid in accordance with the redundancy and termination benefits accounting policy, during the year (2019: nil). There are no outstanding liabilities relating to these payments at the year ended 30 September, 2020.

The number of employees who received total employee benefits (excluding employers' pension costs) of more than £60,000 in the reporting period is as follows:

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
£60,001 - £70,000	1	1
£70,001 - £80,000	-	-
£80,001 - £90,000	-	-
£90,001 - £100,000	2	2
	<u>3</u>	<u>3</u>

**10. Leasing Commitments**

Total future lease payments under non-cancellable operating leases are £nil (2019:£nil)  
The total expense included within the Statement of Financial Activities is £nil (2019: £41k).

**11. Taxation**

The charity is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in paragraph 1 schedule 6 Finance Act 2010, and meets the definition of a charitable company for the UK corporation tax purposes. Therefore it does not suffer tax on income or gains applied for charitable purposes.

**Humentum UK**  
**Notes to the Accounts**  
**for the year ended 30 September 2020**

**12. Fixed Assets**

	<b>Tangible Assets Computers and Projectors £000's</b>	<b>Intangible Assets Software Development £000's</b>
<b>Cost</b>		
As at 1 October 2019	4	17
Additions in year	-	
Disposals	(2)	-
<b>As at 30 September 2020</b>	<b>2</b>	<b>17</b>
<b>Depreciation /Amortisation</b>		
As at 1 October 2019	4	2
Charge for year	-	6
Disposals	(2)	-
<b>As at 30 September 2020</b>	<b>2</b>	<b>8</b>
<b>Net book value</b>		
As at 30 September 2020	<u>-</u>	<u>9</u>

**13. Debtors and Prepayments**

	<b>2020 £000's</b>	<b>2019 £000's</b>
Trade debtors	292	236
Accrued income	31	72
Prepayments	6	5
Amounts owed from Humentum US	277	42
Deposits	7	7
Employee advances	-	2
	<u>613</u>	<u>364</u>

**14. Creditors: Amounts falling due within one year**

	<b>2020 £000's</b>	<b>2019 £000's</b>
Trade creditors	68	41
Deferred income for fees in advance ( <i>note 15</i> )	132	93
Accrued expenditure	77	84
Taxes and payroll liabilities	97	48
	<u>374</u>	<u>266</u>

**15. Deferred Income**

	<b>2020 £000's</b>	<b>2019 £000's</b>
As at 1 October 2019	93	159
Additions during the year	132	93
Amounts released to income	(93)	(159)
<b>At 30 September 2019</b>	<b>132</b>	<b>93</b>

Deferred income of £47,000 relates to training fees received for courses taking place in 2020/21. Deferred income of £85,000 relates to consultancy fees, received in advance, for assignments in 2020/21.

**Humentum UK**  
**Notes to the Accounts**  
**for the year ended 30 September 2020**

**16. Capital and Company Information**

The company is limited by guarantee, incorporated and domiciled in England and does not have a share capital. Humentum, the sole member, has given a guarantee to contribute a sum, not exceeding £1 to the company should it be wound up. Humentum is incorporated in the District of Columbia in the United States of America, Employer Identification Number : 52-1312495. In accordance with the affiliation agreement, dated 21 June 2017, Humentum, as sole member, appoints all the trustees of Humentum UK. A copy of Humentum's financial statements is available on request from: 1120 20th Street NW, Suite 520-S, Washington DC 20036. These consolidated statements include Humentum UK.

Humentum's mission is to partner with the global development community to be an equitable, accountable, and resilient force for social good. Humentum is committed to deliver services that are valued by the global community, these include building community through online networking platform and events, advancing individual and organizational capability through online training and content, providing solutions to organisation-wide problems through our consultancy service and creating and advocating for data-driven policies and standards that address sector-wide challenges.

Transactions that occurred between the two entities during the year are detailed in note 8. as are outstanding amounts as at 30 September, 2020. Following a review of support costs allocated between Humentum and Humentum UK, only UK staff and governance costs were charged to Humentum UK. An indirect cost charge was made to Humentum for UK staff and is included within Humentum UK's support costs.

**17. Statement of Funds**

	As at 1 October 2019 £000's	Total Income £000's	Total Expenditure £000's	As at 30 September 2020 £000's
<i>Unrestricted funds</i>				
General funds	141	1,053	(1,025)	169
<i>Restricted funds</i>				
Training bursaries	21	12	(3)	30
<i>Grants and Contracts</i>				
Foreign, Commonwealth and Development Office (FCDO)	-	66	(59)	7
Austrian Development Agency	-	139	(30)	109
Foundation to Promote Open Society (FPOS)	(5)	385	(380)	-
Ford Foundation	-	404	(103)	301
BDO	-	2	(2)	-
Services donated in kind	-	58	(58)	-
<b>Total funds</b>	<b>157</b>	<b>2,119</b>	<b>(1,660)</b>	<b>616</b>

**18. Analysis of net assets by funds**

	2020 Unrestricted Funds £000's	2020 Restricted Funds £000's	2020 Total Funds £000's
Intangible assets	9	-	9
Current assets	534	447	981
Current liabilities	(374)	-	(374)
<b>Total funds</b>	<b>169</b>	<b>447</b>	<b>616</b>

**Humentum UK**  
**Notes to the Accounts**  
**for the year ended 30 September 2020**

**19. Comparative statements for 2019**

**i Details of Charitable Income**

Funds received for charitable activities, analysed by Humentum UK objective is as follows:

<b>Objective</b>	<b>2019 Unrestricted Funds £000's</b>	<b>2019 Restricted Funds £000's</b>	<b>2019 Total Funds £000's</b>
<i>Strengthening financial management and financial security of the sector</i>			
Training	584	-	584
Consultancy	961	-	961
Recruitment	-	-	-
 <i>Mission to reach more people</i>			
Training	92	-	92
 <i>Progress the change agenda around funding rules, fair cost recovery and global standards</i>			
Training	19	-	19
	<b>1,656</b>	<b>-</b>	<b>1,656</b>

**ii Details of Charitable expenditure**

The amount spent on charitable activities, including support costs analysed by Humentum UK objective is as follows:

<b>Objective</b>	<b>2019 Direct costs £000's</b>	<b>2019 Support costs £000's</b>	<b>2019 Total costs £000's</b>
<i>Strengthening financial management and the financial security of the sector</i>			
	1,287	391	1,678
<i>Mission to reach more people</i>			
	105	32	137
<i>Progress the change agenda around funding rules, fair cost recovery and global standards</i>			
	44	13	57
<b>Total</b>	<b>1,436</b>	<b>436</b>	<b>1,872</b>

**Humentum UK**  
**Notes to the Accounts**  
**for the year ended 30 September 2020**

**19. Comparative statements for 2019 (continued)**

iv. Statement of Funds (note 17)	As at 1 October 2018 £000's	Total Income £000's	Total Expenditure £000's	As at 30 September 2019 £000's
<i>Unrestricted funds</i>				
General funds	319	1,687	(1,865)	141
<i>Restricted funds</i>				
Training bursaries	7	16	(2)	21
Grants and Contracts	-	-	(5)	(5)
<b>Total funds</b>	<b>326</b>	<b>1,703</b>	<b>(1,872)</b>	<b>157</b>

*Name of restricted fund*

*Purpose of fund*

Training bursaries

This fund allows staff from small local NGOs to attend our training courses in developing countries.

Grants and Contracts

This fund is for the grant for IFR4NPO, an initiative to develop global financial reporting guidance for Non-Profit organisations. The contract for this grant covers costs incurred for the period from 1 June 2019, however the contract was not signed until 7 October and the funds covering these costs were received on 18 October 2019.

**v. Analysis of net assets by funds**

	2019 Unrestricted Funds £000's	2019 Restricted Funds £000's	2019 Total Funds £000's
Intangible assets	14	-	14
Current assets	393	16	409
Current liabilities	(266)	-	(266)
<b>Total</b>	<b>141</b>	<b>16</b>	<b>157</b>