

Humanitarian Aid Relief Trust



Annual Financial Accounts

For the year ended 31 December 2014



**Humanitarian
Aid Relief Trust**

www.hart-uk.org

UK Registered Charity: 1107341 Company Number: 5227785

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Cover photo: Refugees from Blue Nile State in Doro Refugee Camp, South Sudan



Patients being seen at the Jeedimetla Clinic, India.

Legal and administrative information

Directors and trustees

The directors of the charitable company are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. Charity number: 1107341. Company number: 5227785.

Trustees

John Richards (*outgoing chairperson*)
Helen Gilbert (*incoming chairperson, from 21 January 2014*)
Ann Gale
Dr John Hardaker
Anthony Peel FRCS
Nnenna Morah
Michael Krefta

Chief Executive

Caroline (Baroness) Cox

Registered office

3 Arnellan House
144-146 Slough Lane
London
NW9 8XJ

Auditors

Jacob Cavenagh & Skeet
5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Bankers

HSBC Bank plc
333 Vauxhall Bridge Road
London
SW1V 1EJ

Web site

www.hart-uk.org

Report of the Trustees

The Trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 December 2014. Legal and administrative information set out earlier in this document forms part of this report.

The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities (revised 2005).

Organisation

The Directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Board of Trustees. Under the requirements of the Memorandum and Articles of Association, the members of the Board of Trustees are elected to serve for a period of three years after which they must be re-elected at the next Annual General Meeting.

John Richards stood down as Chairperson at the end of 2013. The trustees record their thanks for the commitment and wisdom with which he has helped to steer the direction of HART over the last three years. We are delighted that he remains as a member of the board.

A broad skill set is represented on the Board of Trustees, including experts in education, finance and business, medical practice and law. This board has been formulated in order to provide the professional and technical expertise required to ensure accountability for and efficiency in HART's work. Trustees are encouraged to visit at least one of the HART humanitarian programmes abroad.

We believe assessing the quality of the work being undertaken with HART funding, the competence of local partners, and the financial integrity of the programmes are the most appropriate ways for Trustees to ensure the accountability of HART's work.

Fulfilment of the Charity Commission guidelines on Public Benefit

We have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and planning our future activities. In particular, we consider how our planned activities will contribute to the aims and objectives of the charity.

Through its advocacy work HART freely provides a voice in the international arena for people who are, or who have recently been, suffering oppression and persecution, who

are often not being served by major aid organisations and who are largely 'off the agenda' of the international media. HART's reports are made widely available to the UK Government and Parliament, the Foreign and Commonwealth Office, national and international media, parliamentarians in Australia through HART-Australasia, the US Congress through HART-US, other governmental and non-governmental organisations and a broad cross-section of the public, particularly through faith groups, schools and universities.

The public can freely access HART's information via our website and publications. HART encourages active participation in our advocacy and humanitarian work, facilitated in particular through our growing intern and volunteer programmes.

The key charitable aims of HART are:

- To support community-led initiatives relating to healthcare, education, women's empowerment, training, malnutrition and emergency relief, and which facilitate rehabilitation and sustainable development;
- To reach communities in isolated, underreported and marginalised areas;
- To tackle the root causes of poverty, exclusion and human rights abuses through targeted advocacy work.

Review of the year

2014 has been a year of significant progress for HART in terms of the support and funding we are able to offer to our partners. It has also been an encouraging year as we have seen growing public support for our work, both in much needed donations and in the contribution of time, skills, ideas and enthusiasm from an active network of volunteers and supporters. Above all, we have witnessed the continuing achievements of our partners around the world.

We are profoundly grateful to all supporters who provide funds for our valiant partners on frontlines of faith and freedom in very challenging conditions in many parts of the world. We have been delighted to receive significant funding to enable us to continue, and increase, our support for many of them. For example:

- The Isle of Man Overseas Aid Commission has continued to fund a 3-year grant for the visionary programme tackling malnutrition in Timor Leste. They have also provided funding used in 2014 for emergency relief in

the Nuba Mountains and Blue Nile, where as a result of systematic persecution by the Government of Sudan, people are suffering aerial bombardment and hunger-related illness. The Government of Sudan has blocked international humanitarian assistance to the region as part of its de facto genocidal campaign against the local people; HART's aid, delivered by local partners, is therefore of even greater significance.

- Jersey and Guernsey Overseas Aid Commissions have continued their generous support for Dr Maung Taing San ('Dr. SaSa') for his programme of live-saving education of Community Health Workers in remote hill tribe regions of Burma's Chin State where, according to our medical colleague who specialises in tropical medicine, they will be enabled to save the lives of eight out of ten people who would otherwise have died.
- Trusthouse Charitable Foundation continued to entrust HART with half of their budget allocated for overseas funding, which helped us to maintain our financial support for very significant programmes including the work of SWAN (Shan Women's Action Network), Doh Say's work with medical backpack teams amongst the Karenni in Burma, the Rehabilitation Centre in Nagorno Karabakh, emergency relief in the Nuba Mountains and Blue Nile, work with the Devadasi in India and Bishop Moses Deng's work in Bahr-El-Ghazal, one of the most devastated states in South Sudan.
- We also wish to thank Hiscox plc., Word Alive and the Vardy Foundation, as well as other generous supporters too numerous to identify here, but without whose generosity we could not continue to support our partners with their essential work for their communities in such need in so many complex and challenging situations.

Thanks to our partners, volunteers, supporters and staff, 2014 saw diverse activities and achievements in both aid and advocacy.

Individual fundraising efforts include:

In March, Rob Chidley, Hayk Petrosyan and Manuk Asatryan completed a Skydive raising £1070. HART intern Erika Nordblad ran the Luxembourg half marathon, raising funds for PAORINHER in northern Uganda. Andy Thomson undertook a 124 mile cycle ride across the North and South Downs.

In 2014, we benefited from the contributions of 10 long-term interns and a host of volunteers, who undertook research, wrote blogs, managed events and campaigns,

took the stories of our partners to their schools, universities, churches and other institutions, and provided support in almost every aspect of HART's work.

Throughout the year, Caroline Cox and other members of the HART team spoke in a variety of forums about our partners and their achievements in challenging situations. These included contributions to questions, debates and meetings in Parliament, as well as speaking at conferences, schools, universities and churches, and running events including film screenings, talks, campaigns and art exhibitions. We also continued to engage with the media, with articles in major publications, writing letters to newspapers editors and joining with other organisations to project a strong, unified voice on key human rights issues.

The HART Scholarship Competition was rebranded to become the HART Prize for Human Rights, receiving 163 entries. It engaged university, college and school students with human rights issues and with HART's work. We were delighted by the entries we received, which demonstrated great talent and widespread passion for human rights amongst young people, and a remarkable depth of engagement with complex issues.

Towards the end of 2014, we launched the HART Ambassadors Programme, a new initiative aiming to engage more people with our work and to offer a structured volunteering opportunity, bridging the gap between ad hoc volunteering and long-term internships.

The scale and diversity of work which HART achieves would not be possible without our partners and supporters, who undertake exceptional work and demonstrate immense vision, multiplying our small contributions many times over. Seeing our partners and their projects go from strength to strength is the greatest encouragement to our work. Being able to work with them and for them is an immense privilege to all involved – staff, trustees and volunteers alike.

Future developments

The charity plans to continue the activities outlined above in the forthcoming years subject to satisfactory funding arrangements.

Investment policy

Under the memorandum and articles of association, the charity has the power to make any investments that the Trustees see fit.

Independent auditors' report to the members of Humanitarian Aid Relief Trust

Reserves policy

The Trustees aim to maintain free reserves in unrestricted funds at a level which equates to approximately four months of unrestricted charitable expenditure. The Trustees consider that this level will provide contingency funds and to ensure that there will be sufficient funds available to cover support and governance costs.

Risk management

A risk management programme is in place and, where appropriate, systems or procedures are established to mitigate any risks the charity might face. These procedures, along with the Risk Register, are regularly reviewed to ensure that they continue to meet the needs of the charity.

Trustees' responsibilities in relation to the financial statements

The directors (being trustees of the charitable company) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities Statement of Recommended Practice.
- Make judgments and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its operations.

The Trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditors

To the best knowledge and belief of the Trustees, there is no relevant information that the charity's auditors are not aware of, and the Trustees have taken all steps necessary to ensure the Trustees are aware of any relevant information.

Auditors

A resolution will be proposed at the Annual General Meeting that Jacob Cavenagh & Skeet be re-appointed auditors to the charity.

Approved by the board of trustees and signed on its behalf by:

Helen Gilbert
Trustee and Chairman

John Richards
Trustee

29th July 2015

We have audited the financial statements of Humanitarian Aid Relief Trust for the year ended 31 December 2014 which are set out on pages 6 to 13. The financial framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the company's trustees (who are also the directors 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors, including 'APB Ethical Standard – Provisions Available for Small Entities (Revised)', in the circumstances set out in note 16 to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify

material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2014 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the report of the trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

M R Hickson FCA, Senior Statutory Auditor for and on behalf of **Jacob Cavenagh & Skeet**, Statutory Auditor Chartered Accountants

5 Robin Hood Lane, Sutton, Surrey SM1 2SW

Date: 14 August 2015

Statement of Financial Activities

(incorporating the Income and Expenditure account)
for the year ended 31 December 2014

	Notes	Unrestricted funds £	Restricted funds £	2014 £	2013 £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	307,365	410,562	717,927	801,934
Activities for generating funds	3	3,448	-	3,448	4,709
Investment income	4	719	-	719	427
Total incoming resources		<u>311,532</u>	<u>410,562</u>	<u>722,094</u>	<u>807,070</u>
Resources expended					
<i>Cost of generating funds</i>					
Charitable activities					
Aid		103,072	-	103,072	88,894
Advocacy		78,584	461,127	539,711	588,968
Governance costs		110,180	-	110,180	93,871
		25,283	-	25,283	21,633
Total resources expended	5	<u>317,119</u>	<u>461,127</u>	<u>778,246</u>	<u>793,366</u>
Net (outgoing)/incoming resources for the year before transfers		(5,587)	(50,565)	(56,152)	13,704
Transfers between funds		(50,726)	50,726	-	-
Net (expenditure)/income for the year		(56,313)	161	(56,152)	13,704
Total funds brought forward		192,571	62,237	254,808	241,104
Total funds carried forward		<u>136,258</u>	<u>62,398</u>	<u>198,656</u>	<u>254,808</u>

All of the results relate to continuing activities. The notes on pages 8 to 13 form part of these financial statements.

Balance Sheet

at 31 December 2014

Notes	2014 £	2013 £
Fixed assets		
Tangible assets	10	2,976
Current assets		
Stock	11	3,401
Debtors	11	93,509
Cash at bank and in hand		242,692
	258,955	339,602
Creditors: amounts falling due within one year	12	(87,770)
Net current assets		251,832
Total assets less current liabilities		<u>254,808</u>
Funds		
Unrestricted funds	13	192,571
Restricted funds	14	62,237
Total funds carried forward	15	<u>254,808</u>

The directors have taken advantage of the special provisions of Part 15 of the Companies Act 2006 relating to small companies in the preparation of the accounts.

Approved by the board of directors on 29th July 2015 and signed on its behalf.

HELEN GILBERT – Trustee

JOHN RICHARDS – Trustee

The notes on pages 8 to 13 form part of these financial statements.

Notes to the financial statements

for the year ended 31 December 2014

1 Accounting policies

The principal accounting policies which are adopted consistently in the preparation of the financial statements are set out below.

a) Basis of accounting

The financial statements have been prepared under the historical cost convention and are in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005) issued in February 2005, applicable accounting standards in the United Kingdom and the Companies Act 2006.

b) Incoming resources

Donations, investment income and interest

These are recognised on a receivable basis.

Grant income

This is recognised on a receivable basis. Where grant income specifies use over a time period in which the expenditure of resources will take place, grants received in advance of costs incurred are recognised as deferred income.

Legacies

These are recognised as income when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

c) Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Expenditure included in Cost of Generating Funds relates to amounts incurred in obtaining grants and other donations.

Charitable expenditure includes those costs in fulfilling the charitable company's principal objects, as outlined in the Report of the Trustees.

Governance costs are those incurred by the charitable company to help it fulfil its legal and regulatory obligations.

Allocation of expenditure

Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across categories on the basis of an estimate of the proportion of time spent by staff on those activities.

d) Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

e) Tangible fixed assets and depreciation

Tangible fixed assets are included in the balance sheet at cost. Depreciation is provided on all tangible fixed assets at rates calculated to write off the full cost or valuation less estimated residual value of each asset over its estimated useful life. The principal rates in use are:

Equipment, fixtures and fittings At rates between 10% and 33% on cost

f) Foreign currency translation

Transactions in foreign currencies are translated at the rate applicable at the date of the transaction. Balances denominated in foreign currencies are translated at the year end rate, and any differences arising are taken to the Statement of Financial Activities.

1 Accounting policies (continued)

f) VAT

The charity is not registered for VAT and accordingly expenditure includes VAT where appropriate.

g) Fund accounting

The funds held by the charity are either:

- Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.
- Designated funds – these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.
- Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

2 Voluntary income

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	2014	2013
	£	£	£	£
Donations				
Donations from individuals	192,130	72,087	264,217	213,519
Donations from churches	<u>9,567</u>	<u>6,765</u>	16,332	<u>20,592</u>
	201,697	78,852	280,549	234,111
Legacies	-	-	-	42,385
Grants from other agencies				
Grants from trusts	<u>105,668</u>	<u>331,710</u>	437,378	<u>525,438</u>
Total	<u>307,365</u>	<u>410,562</u>	717,927	<u>801,934</u>

3 Activities in furtherance of the charity's objectives

	2014	2013
	£	£
Book sales	3,260	4,634
Other Merchandise	<u>188</u>	<u>75</u>
	3,448	4,709

4 Investment income

	2014	2013
	£	£
Interest received on UK bank accounts	<u>719</u>	<u>427</u>

Notes to the financial statements

for the year ended 31 December 2014

5 Allocation of resources expended

	Grants payable	Staff costs	Property costs	Other	Total 2014	Total 2013
	£	£	£	£	£	£
Cost of generating funds	-	67,867	6,732	28,473	103,072	88,894
Charitable expenditure						
Advocacy	-	67,867	2,693	39,620	110,180	93,871
Aid	461,127	48,476	2,693	27,415	539,711	588,969
Governance costs	-	9,695	1,346	14,242	25,283	21,633
	<u>461,127</u>	<u>193,905</u>	<u>13,464</u>	<u>109,750</u>	<u>778,246</u>	<u>793,367</u>
2013	<u>516,687</u>	<u>165,015</u>	<u>13,130</u>	<u>98,535</u>		

6 Grants payable

Grants payable to institutions

Aid programmes

	2014 Number	2014 £	2013 £
Armenia	5	59,701	34,055
Burma	6	125,353	240,056
East Timor	3	79,500	76,000
India	1	10,090	-
Nigeria	2	14,000	7,000
Republic of Sudan	3	30,978	61,876
South Sudan	4	52,580	44,002
Uganda	5	88,925	53,698
Total grants awarded	<u>29</u>	<u>461,127</u>	<u>516,687</u>

7 Staff numbers and costs

	2014	2013
	£	£
Staff costs:		
Wages and salaries	177,642	150,409
Social security costs	16,263	14,606
	<u>193,905</u>	<u>165,015</u>

The average number of full-time equivalent employees (including casual and part time staff) during the year was as follows:

	2014 Number	2013 Number
Operations	3	3
Administration	3	3
	<u>6</u>	<u>6</u>

There were no employees with emoluments above £60,000.
No trustee was reimbursed for expenses during the period (2013: £1,273).

8 Net incoming resources

This is stated after charging:

	2014	2013
	£	£
Operating lease rentals	-	-
Depreciation	1,883	1,596
Auditors' remuneration		
external audit	3,580	3,540
other services	2,300	2,280

9 Taxation

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

Notes to the financial statements

for the year ended 31 December 2014

10 Tangible fixed assets

	<i>Equipment fixtures and fittings</i>	<i>Total</i>
	£	£
Cost		
At 1 January 2014	8,150	8,150
Additions	<u>638</u>	<u>638</u>
At 31 December 2014	<u>8,788</u>	<u>8,788</u>
Depreciation		
At 1 January 2014	5,174	5,174
Provision for the year	<u>1,883</u>	<u>1,883</u>
At 31 December 2014	<u>7,057</u>	<u>7,057</u>
Net book value		
At 31 December 2014	<u>1,731</u>	<u>1,731</u>
At 31 December 2013	<u>2,976</u>	<u>2,976</u>

11 Debtors

	2014	2013
	£	£
Prepayments	2,185	8,078
Gift aid recoverable	34,684	4,549
Other Debtors	43,274	80,882
	<u>80,143</u>	<u>93,509</u>

12 Creditors: amounts falling due within one year

	2014	2013
	£	£
Accruals	7,630	49,857
Deferred income	54,400	37,913
	<u>62,030</u>	<u>87,770</u>

13 Unrestricted funds

	<i>Balance at 1 January</i>	<i>Incoming resources</i>	<i>Resources expended</i>	<i>Transfers</i>	<i>Balance at 31 December</i>
	£	£	£	£	£
General fund	<u>192,571</u>	<u>311,532</u>	<u>(317,119)</u>	<u>(50,726)</u>	<u>136,258</u>

14 Restricted funds

	<i>Balance at 1 January</i>	<i>Incoming resources</i>	<i>Resources expended</i>	<i>Transfers</i>	<i>Balance at 31 December</i>
	£	£	£	£	£
Armenia	12,072	43,497	(59,701)	4,132	-
Burma	8,236	114,125	(125,353)	32,397	29,405
East Timor	3,477	76,242	(79,500)	-	219
India	694	10,000	(10,090)	-	604
Nigeria	-	625	(14,000)	13,375	-
Republic of Sudan	1,470	29,951	(30,978)	822	1,265
South Sudan	36,288	23,156	(52,580)	-	6,864
Uganda	-	112,966	(88,925)	-	24,041
	<u>62,237</u>	<u>410,562</u>	<u>(461,127)</u>	<u>50,726</u>	<u>62,398</u>

All restricted funds relate to specific projects carried out in each geographical area shown. Transfers were made from both the General Unrestricted Fund to any projects where this year's expenditure exceeded total income carried forward at 31 December 2014.

15 Analysis of net assets among funds

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	2014	2013
	£	£	£	£
Fund balances at 31 December 2014 are represented by:				
Tangible fixed assets	1,731	-	1,731	2,976
Current assets	142,657	116,298	258,955	339,602
Current liabilities	(8,130)	(53,900)	(62,030)	(87,770)
	<u>136,258</u>	<u>62,398</u>	<u>198,656</u>	<u>254,808</u>

16 Other professional services provided by the auditors

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

Children at the window of the Tafabalewa clinic, Nigeria.



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**Humanitarian
Aid Relief Trust**

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