

FUND FOR HUMAN NEED

Report and Accounts

for the year ended 31st August 2014

FUND FOR HUMAN NEED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31st AUGUST 2014

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FUND FOR HUMAN NEED

LEGAL AND ADMINISTRATIVE INFORMATION

Registered Charity No.	208866
Patrons	Miss Priscilla Vivian Rev the Lord J Roger Roberts
Address for correspondence	Mr S H Platt 50 Leeds Road, Selby, N. Yorks, YO8 4HX
Trustees	Rev Roger Cresswell Chair Miss Priscilla Vivian Vice-chair (to 4.11.13) Mr Stanley Platt Secretary Mr Alan Hickox Treasurer Mrs Karen Drayton Rev Rosemary Fletcher (from 4.11.13) Mr Dauda Kawa Mr Andrew Kemp (from 4.11.13) Rev Robert Maginley Rev the Lord J Roger Roberts (to 4.11.13) Rev David Woosley
Assistant Grants Scrutineer	Rev Alison McDonald
Independent Examiner	Mr Roger Pipe 6 Yew Tree Park, Whitley, Goole DN14 0NZ
Bankers	HSBC Bank Plc. 333 Vauxhall Bridge Road, London SW1V 1EJ
Custodian Trustees	The Trustees For Methodist Church Purposes Central Buildings, Oldham Street, Manchester M1 1JQ

FUND FOR HUMAN NEED
TRUSTEES' REPORT
FOR THE YEAR ENDED 31st AUGUST 2014

The trustees present their Report and Accounts for the year ended 31st August 2014.

Structure, Governance and Management

The Fund for Human Need (FHN) is a registered charity, number 208866, and is constituted under a trust deed dated 17th February 1960.

The charity is administered by a board of nine trustee, which meets annually or as the need arises. When vacancies occur, new trustees are appointed by the existing trustees.

The trustees may by resolution delegate their powers to agents or to one or more of themselves and from time to time revoke such delegation.

FHN has no employees, its day to day business being administered by its officers in a voluntary capacity. A financial report, including details of grants made by the Fund, is made available to trustees each month. FHN's bankers are authorised to honour payment instructions which have been signed by any two persons named on the bank mandate.

Objectives and Activities for the Public Benefit

The trust deed provides that the capital and income of the trust shall be used to relieve and remove hunger and poverty in all parts of the world without regard for politics, race, colour or creed. FHN's funds are applied by the trustees in accordance with these objectives. The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Fund's objectives and in planning future activities and setting the grant making policy for the year.

During the year ended 31st August 2014 the trustees continued to make grants available to refugees, asylum seekers and the homeless and to people in other kinds of personal distress. The trustees believe that these grants have provided valuable assistance to some of the most vulnerable people in society.

The trustees also administer the assets of the G.E. Wilson Scholarship Fund for the benefit of the Methodist School at Colon in Panama. The capital held for this purpose has always been regarded as a permanent endowment. Investment income and donations for the school are transferred to the school as received, providing full scholarships for the neediest pupils as well as assisting those who have difficulty meeting the full fees.

From time to time gifts are received for other specific purposes that are consistent with FHN's objectives, and are transferred to the intended beneficiaries.

Risk Management

The trustees have considered the major risks to which the charity is exposed, which are reviewed each year at the Annual General Meeting, and have established systems and procedures to manage those risks. In particular, it is recognised that as a small organisation FHN does not have staff to monitor the use of grants once they have been made. Most grants are, however, made through other agencies and FHN asks for written confirmation that they will be used for the purposes for which they have been made.

Grant Making Policy and Procedures

The Fund has established its grant making policy to achieve its objects for the public benefit, to relieve hunger and poverty, by:

- making grants to refugees, asylum seekers and the homeless, usually of up to £120 each.
- making grants to individuals in other forms of personal distress, usually of up to £120 each.
- making grants from unrestricted income to a limited number of projects which work amongst the poorest communities and have no access to major funding. Grants in this category do not usually exceed £1,000 each.

- transferring restricted funds to beneficiaries as quickly and economically as possible.

In making grants to refugees, asylum seekers and the homeless, and those in personal distress, it is recognised that FHN cannot be the major source of support in such cases. Most of these grants are made through other charities and institutions, although a small number are paid direct to individual beneficiaries.

Between trustees' meetings grant applications are assessed by the Secretary, in consultation with a scrutineer appointed by the trustees. A list of grants paid is made available to the trustees on a monthly basis and also submitted to the full trustees meeting for retrospective approval.

Financial Review

The Fund's total income for the year to 31st August 2014 of £19,246 was 4% less than the previous year, whilst total expenditure of £33,051 increased by 54%, reflecting the trustees' decision previously reported to respond to the significant increase in grant applications by increasing by 50% unrestricted funds grants in 2013/2014.

Unrestricted income amounted to £12,080, compared with £13,363 for 2012/2013. This decrease was principally the result of a large reduction in the very substantial donation received for a number of years from a church which is the Fund's most generous supporter, because of that church's current commitment to a major building scheme. This was partly mitigated by increases in donations from individuals and in investment income. During the year, 235 grants of up to £200, but in most cases not exceeding £120, were made from unrestricted funds, totalling £23,610, all to individuals in the UK who were refugees, asylum seekers or homeless or in other forms of personal distress. This compared with 154 grants amounting to £14,436 made to individuals the previous year, and represented an increase of 64% in the total amount of unrestricted funds grants.

Restricted income received for the school and for the home for old and homeless people in Colon, Panama was £6,966, including income of £523 from endowment fund investments, an increase of £235 on the total for 2012/2013. In addition, £200 was received for work with children in Kenya.

Administration costs for the year amounted to £804, representing 2.4% of total expenditure. This compared with £421 for the previous year, the increased costs resulting from the very large increase in the number of grants made and the holding of an additional trustees' meeting during the year.

Investment Policy and Performance

The trust deed gives the trustees discretion to invest the trust funds and to use the income arising, and the proceeds of a sale of investments, for the objects of the charity.

The major part of FHN's unrestricted funds, together with the assets of the G. E. Wilson Scholarship Fund, are held in units of two of the investment funds of the Central Finance Board of the Methodist Church (CFB), the CFB Managed Fixed Interest Fund and the CFB Managed Mixed Fund, in order to achieve a higher return than is currently available on the Fund's short term deposits, and to help secure long term stability of the Fund's income. These investments are held by The Trustees For Methodist Church Purposes, who act as custodian trustees for FHN.

Funds are managed by CFB in accordance with its agreed investment policies. It aims to provide a high quality investment service, seeking above average returns for long term investors, while following a discipline in which the ethical dimension is an integral part of all its investment decisions. CFB works closely with the Methodist Council to ensure that its activities are consistent with the ethical policy of the Methodist Church.

A revaluation of the Fund's investments at 31st August 2014 showed an unrealised gain of £6,062, representing an increase of 2.1% in the value of its holding of CFB Managed Fixed Interest Fund units and of 6.7% on the CFB Managed Mixed Fund units. The income distributions for the year, based on the 31st August 2013 valuations of the units, represented yields of 2.4% on the Managed Fixed Interest Fund units and of 3.2% on those in the Managed Mixed Fund.

Reserves Policy

The Fund's reserves policy has been reviewed by the trustees, having regard in particular to uncertainties in relation to future levels of income from donations, including the impact of a loss of the very small number of donors who contribute a significant proportion of the Fund's income, to the low returns it is currently receiving on its investments and short term deposits, and to the substantially increasing numbers of grant applications being received from those institutions with whom FHN works in the UK.

As mentioned below, the trustees have agreed, for the next year, to increase by almost 50% the grants made to refugees, asylum seekers and the homeless, and those in personal distress, notwithstanding that this is likely to lead to a significant shortfall of income over expenditure for the year. With this in mind, the trustees have approved a policy to maintain the free reserves in unrestricted funds (that is, the balance of unrestricted funds, less investments) at a level which equates to approximately six months of unrestricted charitable expenditure. The balance of free reserves in unrestricted funds at 31st August 2014 was £20,268 which, with anticipated unrestricted charitable expenditure of approximately £34,000 for the year to August 2015, represents approximately 7 months of such expenditure.

Review of the Year and Future Plans

Despite claims that manufacturing output has increased, the economy has improved and unemployment figures have declined, there is evidence that British society has become more unequal, that certain sections of the population are disproportionately disadvantaged and that there are many who struggle to make ends meet. The proliferation of food banks and stories of genuine hardship created by changes to state provision are evidence of the desperate situation in which some people find themselves. When FHN was set up in 1960 “to relieve and remove hunger and poverty in all parts of the world” it was envisaged that its main focus would be supporting projects overseas. Today, apart from transferring funds intended for specific work with which the fund has an historic association, the principal activity of FHN is to relieve poverty and distress encountered within the UK.

A year ago, in response to evidence of an increasing number of requests from individuals and agencies, and in recognition of the strength of the fund’s investments, the trustees agreed to implement a policy to increase by at least 50% the amount given in grants to refugees, asylum seekers and homeless persons. This has meant that, while the total of unrestricted gifts received during the year was equivalent to only one-third of the amount disbursed in grants, by making use of invested funds these actually increased by 64%. However, during the year our grant making was reviewed again, in the light of which it was agreed to increase further the number and size of grants made each month, the extra expenditure coming from reserves. We express thanks to our treasurer, Mr Alan Hickox, for his guidance and day-to-day management of the funds and to our secretary, Mr Stanley Platt, assisted by the Rev. Alison McDonald, who scrutinise applications each month and determine those to whom a grant from FHN can make a significant difference to their well-being.

The trustees recognise that much greater attention must be given to increasing awareness of the fund if its work is to be sustained in the long-term. For many years FHN has relied upon the regular support of a very small number of individuals and a few major donors. A decrease in income from churches, referred to in the Financial Review (above), has highlighted the need to broaden our supporter base. During the year a report on the fund in the *Methodist Recorder* resulted in a number of donations from individuals, a clear demonstration that such publicity can be effective. Trustees have received advice from a professional fund-raiser and ways of improving advocacy are being explored.

At the last Annual General Meeting two new trustees, the Rev. Rosemary Fletcher and Mr Andrew Kemp, were appointed to replace Miss Priscilla Vivian, a founding trustee of FHN, and Rev. the Lord Roger Roberts. To honour their commitment over many years, Priscilla and Roger have been named as patrons of FHN.

A majority of the trustees having been appointed within the past two years, their contribution is adding greatly to the experience of those who have been involved for many years, a position from which FHN can only benefit.

Gratitude is expressed to all those who support FHN through their gifts. While closely associated with the Methodist Church and sharing its Christian calling, the independence which allows FHN to respond to human need wherever it is met and “where a little helps a lot” is confirmation of the role the fund continues to have.

Trustees' Responsibilities for the Accounts

Law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing these accounts the trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed;
- prepare the accounts on the going concern basis unless it is inappropriate to assume that the activities of the charity will continue.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees on 25th November 2014 and signed on their behalf by:

Roger Cresswell
Chair of Trustees

FUND FOR HUMAN NEED

Independent Examiner's Report to the Trustees of the Fund for Human Need

I report on the accounts of the Fund for the year ended 31st August 2014. These comprise the statement of financial activities, the balance sheet, and the related notes which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act); and
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a "true and fair" view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that, in any material respect, the requirements:

- to keep accounting records in accordance with section 130 of the Charities Act; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Roger Pipe
6 Yew Tree Park
Whitley
Goole DN14 0NZ

25th November 2014

FUND FOR HUMAN NEED
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31st AUGUST 2014

	Note	Unrestricted Funds	Restricted Funds	Endowment Fund	Total Funds 2014	Total Funds 2013
		£	£	£	£	£
INCOMING RESOURCES						
Voluntary income						
Donations, gifts & tax reclaims	2	8,365	6,643	-	15,008	15,715
Legacies		-	-	-	-	250
		<u>8,365</u>	<u>6,643</u>	<u>-</u>	<u>15,008</u>	<u>15,965</u>
Investment income						
CFB Investment Funds distributions		3,526	523	-	4,049	3,289
CFB Deposit Fund interest		189	-	-	189	840
		<u>3,715</u>	<u>523</u>	<u>-</u>	<u>4,238</u>	<u>4,129</u>
Total incoming resources		<u>12,080</u>	<u>7,166</u>	<u>-</u>	<u>19,246</u>	<u>20,094</u>
RESOURCES EXPENDED						
Charitable activities						
Grants paid	3/4	23,610	8,637	-	32,247	21,076
Grant making costs	5	190	-	-	190	133
		<u>23,800</u>	<u>8,637</u>	<u>-</u>	<u>32,437</u>	<u>21,209</u>
Governance costs	6	614	-	-	614	288
Total resources expended		<u>24,414</u>	<u>8,637</u>	<u>-</u>	<u>33,051</u>	<u>21,497</u>
Net incoming/(outgoing) resources for the year		(12,334)	(1,471)	-	(13,805)	(1,403)
Gain/(Loss) on revaluation of investments	7	5,613	-	449	6,062	(3,854)
Net movement in funds		(6,721)	(1,471)	449	(7,743)	(5,257)
Total funds brought forward at 1st September 2013		<u>157,355</u>	<u>1,964</u>	<u>21,612</u>	<u>180,931</u>	<u>186,188</u>
TOTAL FUNDS at 31st AUGUST 2014		<u>150,634</u>	<u>493</u>	<u>22,061</u>	<u>173,188</u>	<u>180,931</u>

The notes on pages 9 - 13 form part of these accounts

FUND FOR HUMAN NEED
BALANCE SHEET
AS AT 31st AUGUST 2014

	Note	2014	2013
		£	£
Fixed Assets			
Investments: Unrestricted funds		130,366	124,753
Endowment fund		<u>22,061</u>	<u>21,612</u>
	7	152,427	146,365
Current Assets			
Debtors	8	1,979	1,804
Short term deposits		18,709	32,554
Cash at bank		<u>73</u>	<u>208</u>
		<u>20,761</u>	<u>34,566</u>
Net Assets		<u>173,188</u>	<u>180,931</u>
Funds			
Unrestricted funds		150,634	157,355
Restricted funds	9	493	1,964
Endowment fund	10	<u>22,061</u>	<u>21,612</u>
Total Funds		<u>173,188</u>	<u>180,931</u>

The notes on pages 9 - 13 form part of these accounts

Approved by the trustees on 25th November 2014
and signed on their behalf

Trustee

Trustee

FUND FOR HUMAN NEED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31st AUGUST 2014

1. Accounting Policies

a) Basis of accounting

The accounts have been prepared under the historical cost convention, except for investments, which are stated at market value, and are in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005), UK accounting standards and the Charities Act 2011.

b) Incoming resources

Donations and gifts are accounted for on a received basis.

Incoming resources from tax reclaims are included in the same period as the gifts to which they relate.

Legacies are accounted for when entitlement has been confirmed, the amount can be quantified accurately and receipt is certain.

Investment income, representing distributions from the Central Finance Board of the Methodist Church, is accounted for on an accruals basis.

c) Resources expended

All resources expended are accounted for on an accruals basis.

Grants become payable either when approved by the trustees, or by the Secretary in consultation with persons authorised by the trustees to assist in the scrutiny of grant applications.

d) Funds

Unrestricted funds are funds which can be used at the discretion of the trustees in accordance with the charitable objects of the Fund for Human Need.

Restricted funds are funds which may 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.

The *endowment fund* represents the assets of the G.E. Wilson Scholarship Fund, which must be held permanently by the charity. Income arising from the endowment fund must be used for the provision of scholarships at the Methodist School in Colon, Panama, and is treated as restricted funds in these accounts.

e) Investments

Investments are stated at market value.

f) Gains / (losses) on investments

Realised and unrealised gains and losses on investments are dealt with in the Statement of Financial Activities in the year in which they arise.

g) Cash flow statement

The accounts do not include a cash flow statement as the Fund for Human Need does not fall within the scope of Financial Reporting Standard 1.

FUND FOR HUMAN NEED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31st AUGUST 2014 (continued)

2. Donations & Gifts	Donations Received	Tax Reclaimed	Total 2014	Total 2013
	£	£	£	£
Unrestricted Funds				
Individuals	3,476	709	4,185	3,279
Churches	4,180	-	4,180	6,515
Total unrestricted donations & gifts	7,656	709	8,365	9,794
Restricted Funds				
Methodist School of Colon, Panama	5,999	223	6,222	5,438
Hogar Atlantico home for old & homeless people	221	-	221	483
Bernard Jinkin's work, Kenya	200	-	200	-
Total restricted donations & gifts	6,420	223	6,643	5,921
Total Donations & Gifts	14,076	932	15,008	15,715

3. Summary of Grants Paid	Total Grants 2014	Number of Grants 2014	Total Grants 2013	Number of Grants 2013
	£		£	
Unrestricted Funds				
Refugees, asylum seekers & the homeless	18,134	182	12,637	135
Personal distress	5,476	53	1,799	19
Total unrestricted funds grants	23,610	235	14,436	154
Restricted Funds				
Methodist School of Colon, Panama	8,000	3	6,000	3
Hogar Atlantico home for old & homeless people, Colon	437	2	640	2
Bernard Jinkin's work, Kenya	200	1	-	-
Total restricted funds grants	8,637	6	6,640	5
Total Grants Paid	32,247	241	21,076	159

FUND FOR HUMAN NEED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31st AUGUST 2014 (continued)

4. Grants from Unrestricted Funds	Total Grants	Number of Grants
	£	
Refugees, asylum seekers & the homeless		
Via institutions in UK		
Action for Refugees in Lewisham	250	3
Brigstowe Project	300	3
British Red Cross	940	9
CARA	891	12
Coventry CAB	320	3
George House Trust	250	3
Hackney Migrant Centre	2,120	23
HMSC	845	8
Just for Kids	220	2
Low Hall Nursery	220	2
Millenium Vision	1,240	13
Notre Dame Refugee Centre	420	4
Praxis	840	8
St. George's Healthcare Trust	350	4
Grants via institutions of £200 or less	5,678	53
To Individuals in UK		
Grants to individuals of £200 or less	3,350	32
Previous year grant unused	(100)	
	18,134	182
Personal distress		
Via institutions in UK		
Birmingham Settlement	380	4
HMP Holloway	320	3
Porchlight	220	2
Grants via institutions of £200 or less	2,856	28
To individuals in UK		
Grants to individuals of £200 or less	1,700	16
	5,476	53
Total Unrestricted Funds Grants	23,610	235

5. Grant Making Costs	Unrestricted	Restricted	Total 2014	Total 2013
	£	£	£	£
Bank charges	72	-	72	60
Postage	118	-	118	73
	190	-	190	133

6. Governance Costs	Unrestricted	Restricted	Total 2014	Total 2013
	£	£	£	£
Custodian Trustees' administration charge	293	-	293	170
Trustees' meetings	321	-	321	118
	614	-	614	288

FUND FOR HUMAN NEED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31st AUGUST 2014 (continued)

7. Fixed Asset Investments		2014	2013
		£	£
CFB Investment Funds			
Market value at 1st September		146,365	85,217
Additions at cost		-	65,002
Gain/(Loss) on revaluation of investments		<u>6,062</u>	<u>(3,854)</u>
Market value at 31st August		<u>152,427</u>	<u>146,365</u>
Historical cost at 31st August		<u>109,940</u>	<u>109,940</u>

8. Debtors		2014	2013
		£	£
CFB Investment Funds distributions		1,047	1,163
Gift Aid tax reclaim		<u>932</u>	<u>641</u>
		<u>1,979</u>	<u>1,804</u>

9. Movement in Funds		Balance	Incoming	Resources	Gain on	Balance
		1st September	Resources	Expended	Revaluation	31st August
		2013				2014
		£	£	£	£	£
Unrestricted funds		<u>157,355</u>	<u>12,080</u>	<u>(24,414)</u>	<u>5,613</u>	<u>150,634</u>
Restricted funds						
Methodist School of Colon		1,748	6,745	(8,000)	-	493
Hogar Atlantico		216	221	(437)	-	-
Bernard Jinkin's work		-	200	(200)	-	-
		<u>1,964</u>	<u>7,166</u>	<u>(8,637)</u>	<u>-</u>	<u>493</u>
Endowment fund						
G.E.Wilson Scholarship Fund		<u>21,612</u>	-	-	<u>449</u>	<u>22,061</u>
Total Funds		<u>180,931</u>	<u>19,246</u>	<u>(33,051)</u>	<u>6,062</u>	<u>173,188</u>

10. Endowment Fund

The G.E. Wilson Scholarship Fund was established in 1970 with discretionary payments received from the estate of the late Mr Charles A. Allen. The capital of £22,061 is invested in CFB Managed Fixed Interest Fund units issued by the Central Finance Board of the Methodist Church. The income arising from the Fund's investments is to be used for the provision of scholarships to children attending the Methodist School in Colon, Panama.

FUND FOR HUMAN NEED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31st AUGUST 2014 (continued)

11. Analysis of Net Assets between Funds	Unrestricted Funds	Restricted Funds	Endowment Fund	Total Funds
	£	£	£	£
Investments				
CFB Managed Fixed Interest Fund units	60,574	-	22,061	82,635
CFB Managed Mixed Fund units	69,792	-	-	69,792
Current assets	20,268	493	-	20,761
Net Assets at 31st August 2014	150,634	493	22,061	173,188

12. Contingent Liabilities & Contractual Commitments

At 31st August 2014 and 31st August 2013 there were no contingent liabilities or contractual commitments.

13. Expenses Reimbursed to Trustees

	2014	2013
	£	£
Travel to trustees' meetings	<u>321</u>	<u>118</u>
Number of trustees reimbursed	5	2

No trustee received any remuneration or other benefits from the Fund.