



# ANNUAL REPORT & FINANCIAL & STATEMENTS 2018





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## WELCOME FROM OUR CHAIR

### DR KAMIL ZAKARIYYA OMOTESO

It is my privilege to introduce Human Appeal's 27th Annual Report. It is no overstatement to say that 2018 was a year of tremendous change and transformation for our charity. While mass displacement affected some 65.6 million, globally, and nearly half of the planet's entire population continued to live in dire poverty, we worked relentlessly, around the clock, helping to overcome inhumanity with humanity, across 13 countries.

During Ramadan, we helped to provide 104,642 people with food and distributed Qurbani meat to 208,670 people. We supported a total of 520,950 people through our long and short-term food security projects, and helped 205,103 people through our sustainable development projects, including special requests from our donors. We supported a total of 1,036,741 people through our humanitarian response projects, helping victims of war, conflict and natural disasters overseas. 2018 saw us making an impact here in the UK too. In total, we helped 46,569 vulnerable people significantly by providing warm winter coats through our award-winning Wrap Up campaign.

On 14th May we launched our Ramadan campaign, 'Believe,' at an interfaith event at the Friends Meeting House in central Manchester. The focus of the event was homelessness. Alongside Andy Burnham, Mayor of Greater Manchester, Human Appeal pledged to help end rough sleeping in the region by 2020. On 23rd February, our local MP, Mary Robinson, paid a visit to our Human Appeal headquarters. Impressed with our work and offices, she was keen to develop a future relationship with us.

Our local and international humanitarian work was carried out during an extremely challenging time for our organisation. After reporting allegations related to financial governance to the Charity Commission, we underwent a complete overhaul of our internal policies, protocols and procedures. Led by our Acting CEO, Human Appeal's 2018 breakthrough objective was to bring our fundamental business systems and value delivery processes under tighter controls.

We worked to embed strong ethical values, transparency an enabling culture as 'business as usual' across all operations, ensuring all activities - from strategy and risk management to training - were compliant. We developed our in-house compliance team, reviewing all categories as per the Global Sanctions policy, including our donors, suppliers, partners, and employees, while ISO 9001 audits were conducted.

In January 2018, our audit committee conducted a root and branch review of all functions to provide an



enhanced level of assurance over our organisation. We also introduced a risk management culture, providing staff training and developing 'risk champions' for each function.

Throughout the year, all policies and procedures were reviewed. We developed and trained staff on Fundraising Regulator requirements, focusing on the assurance of cash handling in all our offices. We conducted an internal audit review of contractors, ensuring due processes are adhered to before onboarding contractors, and we updated our training sessions on HMRC IR135. We engaged Crowe Forensic to conduct a forensic audit and re-audit our prior audited periods 2016 to 2018.

Our International Finance team enhanced its oversight and visits to our field offices. We conducted staff away days focusing on enhancing ethical culture and behaviour. We reviewed our Health & Safety arrangements across all offices and engaged Peninsula for specialist support. We delivered Fire Marshal and First Aid training, while our People & Culture team introduced a competency modelling framework, ensuring a structured, evidenced-based approach to staff progression, including structured grading, reviews, remuneration and appraisals.

Since 2016, Human Appeal has continuously enhanced and upgraded our systems. This trend continued in 2018 when we implemented our Navision Accounting System. 2018 saw us meeting our GDPR requirements too, enhancing data protection and developing a focused GDPR Officer. We also developed and implemented our cyber security action plan, while our whistleblowing policy was updated, and a review process and dip-sampling of our projects were put in place.

Despite all the challenges and changes throughout the year, Human Appeal helped 1,300,399 people in 13 countries, with many of our staff, volunteers, partners and affiliates remaining committed to bringing vital aid to those in desperate need. This is an enormous achievement. Thank you to all our generous donors and supporters who continued to believe in Human Appeal and kept the faith with us during the most challenging of years. I look forward to working with you to save and change lives in 2019 and beyond.

## A MESSAGE FROM OUR NEW CEO

### DR MOHAMED ASHMAWEY

Human Appeal remained steadfast in becoming more aligned and responsive to the needs of our beneficiaries in 2018. We assisted 275,390 Rohingya refugees fleeing violence and persecution with food aid, WASH facilities and medical care. We helped 306,533 Syrians affected by the seventh year of the conflict with emergency health, food and winter aid. We also provided emergency interventions to 34,738 Yemeni people enduring conflict and delivered emergency relief to 113,799 conflict-affected Iraqis.

Our sustainable development projects also helped 43,301 people in Palestine by providing clean water, rebuilding homes, and supporting livelihoods. In Somalia 12,900 people were assisted through our food security, WASH and livelihoods interventions. In Pakistan 43,736 people benefited from Human Appeal's food security, livelihood and educational initiatives, as well as special request projects from our donors. In Iraq 4,247 were assisted with our protection projects, including legal and gender-based violence awareness training and referrals, and in Senegal, Bangladesh and Pakistan, 108,545 people were helped through special request projects, including training for beekeeping and deep water wells. In total, we helped 1,300,399 people across 13 countries. All this was achieved during a time of great organisational challenge for Human Appeal.

In 2018, Human Appeal reported a series of allegations, concerning financial governance issues, to the Charity Commission. Human Appeal's trustees appointed a leading specialist auditor to investigate. Although a thorough verification process affirmed that all funds raised between 2015 and 2018 were spent correctly, upgrades in our internal policies, protocols and processes were recommended by the independent auditor. We are deeply sorry to report that every part of our organisation was shaken by the investigation.

Since the investigation, Human Appeal has been going through a time of change and transformation to make our organisation even more transparent, accountable and effective, stepping up our safeguarding processes for beneficiaries, staff and all who interact with us. We have started the process of implementing a world-class CRM system to deliver greater insight and analysis, whilst upgrading our accounting system to Microsoft NAV, ensuring real-time, global financial oversight of all our country offices.

We have overhauled our governance procedures with enhanced reporting to the Board of Trustees, whilst also welcoming four new and highly qualified trustees. We have also ensured we provide extensive training to all local staff to make sure they understand and comply



with law, policies and procedures, and improved our internal auditing, while utilising external auditing partners globally.

Our due diligence process was reviewed by the USA legal counsel, Ferrari & Associates, resulting in revised measures involving all global stakeholders, and overseen by our in-house Compliance Officer. We have also developed our whistleblowing process, introducing a hotline, whilst a competency matrix was also introduced by our Human Resources department.

Moving forwards, our programmes manual will undergo regular reviews with dip sampling of projects, while proactive risk management workshops and Rhiza - our risk management software - will be a regular agenda item at our Board of Trustee meetings and Audit Committee meetings. Changing our culture and behaviour means that everything we do is aligned with our values.

Despite the negative impact of the investigation, the difference we made in the lives of our beneficiaries in 2018 was immense thanks to the support of our wonderful donors and the hard work of our amazing staff and volunteers. I would also like to take this opportunity to thank our dedicated volunteers, staff and supporters who kept the faith with us during a very challenging time. I believe in Human Appeal, now more than ever.

Going forward, my mission is to make our charity the role model for all humanitarians. I will ensure our transparency, accounting and quality are at their most efficient, promoting confidence that all donations are going as far as possible to help some of the world's most vulnerable people. Building on our past successes, I am keen to ensure we reach even more people around the world and that our work helps to break cycles of poverty. Far from just helping people as they fall into poverty, we want to take them out of poverty for good and we will not stop until we have reached everyone. We want a world where Human Appeal is obsolete. This is the legacy I want us to leave behind.

# STRATEGIC REPORT

## WHO WE ARE AND WHAT WE DO

Human Appeal is a non-profit organisation working across the globe to strengthen humanity's fight against poverty, social injustice and natural disaster. Through the provision of immediate relief and the establishment of self-sustaining development programmes, we aim to invest in real, effective solutions.

By establishing firm and loyal grassroots relationships with local, national, and international partners we are able to access some of the most hard-to-reach places in the world, at the most vulnerable of times. This means that we can help people that many other organisations are unable to reach.

Human Appeal believes that establishing stable healthcare, education and livelihood programmes paves the way for empowered, self-serving communities. We also recognise that the provision of food, medical aid and emergency shelter in times of humanitarian crisis is essential for the immediate preservation of life. As such, we value the importance of a multi-dimensional aid approach, and dedicate our time between emergency relief and long-term development.

## HUMANITARIAN RELIEF

We are committed to being fast responders to humanitarian needs and emergency situations in our priority countries, with accountability and transparency. Our values of excellence, compassion, trust, respect, justice and empowerment are central to our approach to international development.

From the Syrian conflict to the famine in Yemen, to the Rohingya refugee crisis in Myanmar and Bangladesh, we are on the ground delivering essential aid to local and internally displaced people, refugees and returnees. During emergencies, we provide core relief items such as food, water, and shelter.

We also run water, sanitation and hygiene (WASH) interventions and education projects, and support local health centres with medical supplies. We coordinate and manage camps through community-based integrated activities, including protecting the rights and safety of children.

## SUSTAINABLE DEVELOPMENT

Our projects align with, and contribute to, the UN Sustainable Development Goals (SDGs). We provide long-term development solutions in the most vulnerable communities. We restore shattered lives and fractured families, reinforce community bonds, and tackle the root causes of poverty that put people at a disadvantage.

We supply local communities with the tools to support themselves, build their resilience and ensure their future safety. Our aim is to help them lead a life of dignity, gender equality, and food and income security. We want to empower them to be resilient to climate change and natural disasters.

## SEASONAL PROGRAMMES

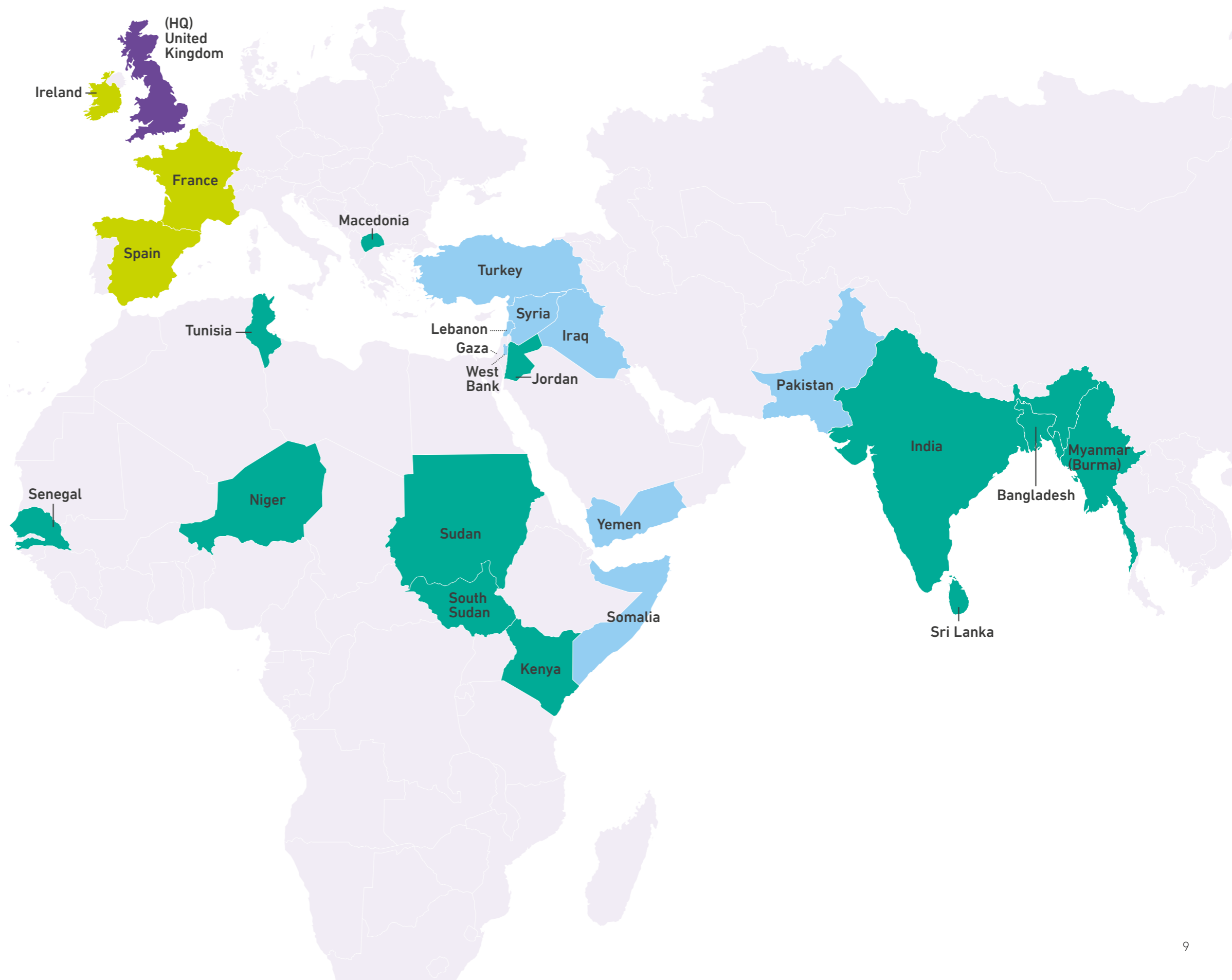
Our seasonal programmes reflect our Islamic faith but serve all vulnerable communities, regardless of belief. Every year, we connect our donors with the people we support through our Feed the Fasting programme, funded by Ramadan donations and by Zakat (the giving of a set proportion of wealth to charity). During Eid al-Adha, we perform Qurbani, the sacrifice of an animal and distribution of the meat to vulnerable families. Our annual winter campaigns focus on shelter, warm clothing, and non-food items.

## CHILD WELFARE

Child protection is central to all of our work. Our orphan sponsorship programme allows sponsors to donate monthly to help an orphaned child to meet their basic needs, including food and shelter on a one-to-one basis. Sponsored children of school age are required to continue their education in order to help them to have empowered futures.

# WHERE WE WORK

In 2018, we worked tirelessly in some of the poorest countries in the world to help people escape the hardships of poverty, conflict and natural disasters. With the help of our partners, we were able to help those in some of the most hard-to-reach places in the world.



- HEADQUARTERS
- FUNDRAISING OFFICES
- FIELD OFFICES
- LOCAL PARTNERS

# STRATEGIC PLAN 2018

## HUMAN APPEAL'S STRATEGIC KEY PRIORITIES

To ensure that we are always striving for excellence and that we expand our capability to help the world's most vulnerable, year after year, we follow 10 Strategic Key Priorities. This helps us to ensure Human Appeal is growing innovatively and that we hold ourselves accountable, whilst embedding a commitment to continual improvement in every aspect of our work.

In 2018, we implemented a number of step changes across the organisation toward greater efficiency, productivity, transparency and accountability in-line with our values, and with our charitable mission at the forefront.

1. **Increase year-on-year fundraising income by one third, ensuring an 80/20 split and prioritising General Funds**
2. **Increase donors year-on-year**
3. **Improve retention of existing donors**
4. **Create an innovative volunteer development programme**

In 2018, Human Appeal made a great investment into creating and developing a more robust and effective Volunteering Programme, in-line with best practice set by the National Council for Voluntary Organisations. New volunteer policies and procedures were introduced with Human Appeal's values at the forefront whilst prioritising safeguarding, equality and fairness. Additionally, all staff members involved with volunteers and interns attended Managing Volunteers and Managing Interns training where they gained the ability to deliver the programme using new processes while effectively managing and empowering volunteers.

5. **Accomplish a step change in the quality and efficiency of our work in every department throughout the organisation**

6. **Develop staff to high professional standards and improve staff satisfaction throughout the organisation, including succession planning for all departments**

In 2018, for the first time at Human Appeal, we engaged dedicated personnel within the People and Culture department to focus on administering Learning and Development programmes at the organisation. The Board of Directors and People and Culture team determined a list of Mandatory Trainings based on organisational and external audit requirements, and these items took priority in our training programme. Additionally, Line Managers were encouraged to think of any training and development opportunities that would be beneficial for the staff on their teams to encourage progression and retention, and to discuss these during performance management meetings such as the Annual Appraisal and Six Month Review. These recommendations fed into the 2018 Training Matrix as Development Training. The Training Matrix also included Technical Training which comprised topics such as 'Cash Handling' and 'Conducting an Investigation' which were specific to the technical requirements of some roles or departments at Human Appeal. Furthermore, all training programmes in 2018 were thoroughly logged, with completed attendance sheets and feedback forms from attendees to contribute towards improvements and the future development of the training programmes at Human Appeal.

7. **Identify and mitigate risk**

In 2018, Human Appeal remained alert to risks, especially those relating to the UK and abroad through its utilisation of the Rhiza Risk Management Framework (developed by Moore Stephens). Internal Audit and Compliance continued to play a pivotal role in helping to embed risk management across the charity by educating service users through proactive training and support in risk management.

Our Internal Audit function provides an independent and objective assurance on the robustness of the design and operational effectiveness around the risk and control governance process. The CEO and Executive Directors regularly reviewed key strategic and operational risks with the support of Internal Audit and Compliance who regularly attended weekly Board of Directors meetings to ensure visibility, profile and timely mitigation of risks faced by the charity.

Looking to the future, the Internal Audit function will continue to be supported by external audit providers undertaking reviews and audits on behalf of Human Appeal, such as Crowe UK, Mersey Internal Audit Agency and others. In the future, additional External Audit providers will be engaged to complement our Internal Audit function as deemed necessary.

8. **Ensure value-for-money**

In 2018, we continued our vital commitment to the principle of Value for Money (VfM) in all our humanitarian and development projects to maximise the impact of each pound spent to improve lives of affected and impoverished populations in the countries of our operations. This is achieved by ensuring the 4Es (Economy, Efficiency, Effectiveness and Equity) are mainstreamed in all our programming from the design phase to implementation and monitoring, in order to achieve the maximum impact and help drive the quality and financial sustainability of our work.

9. **Boost and strengthen our brand and identity**

In 2018, we overhauled our branding in order to boost our identity. This new brand identity represents our vision, our vision to tackle humanity at its worst by appealing to humanity at its best. We strived to be noticed more by reacting decisively to emergencies and delivering long-term solutions. We increased donor engagement by recruiting more staff and volunteers, and by promoting our work through our website, social

media, email marketing, and SMS messages, as well as through direct mail and fundraising events. On every platform, our striking logo and typeface was easily recognisable.

In 2019, we'll continue promoting our new brand strategy and focus on delivering an authentic and consistent experience. We'll focus on building and aligning our brand in order to maximise value through our online and offline content.

10. **Develop a more coherent interface with donors and demonstrate beneficiary impact**

In 2018, we invested in a coherent, user-friendly new web interface, which is capable of adapting to various appeals and campaigns through visual and content-rich modules. It is Arabic-ready and includes space for bold photos and videos, featured text, and infographics, and saw a 55 per cent conversion rate increase in its first year, as well as a 26 per cent rise in pages visited per session.

In the next year, we'll build on the success of our website in 2018 by ensuring content is frequently updated, responsive to humanitarian need, and representative of our ongoing impact.

We'll introduce dedicated sections to improve user interaction and promote transparency, such as pages devoted to 'About us', 'Contact us', 'Work with us', 'Meet the Board and Trustees', 'Policies and Procedures', and 'Annual Reports'. We'll also roll out a live chat option and create a My Account page for ease of use, accountability and engagement.



## GLOBAL PROGRAMMES STRATEGY 2018–2020

In 2018, we developed and launched our three-year Global Programmes Strategy 2018-2020 and Food Security Policy in order to streamline our sectoral priorities and ensure that humanitarian and development interventions reached the most vulnerable communities, with best practice, and in the most impactful and targeted manner.

Since 2018, our global staff prioritised the following six sectors from our Global Programmes Strategy:



### LIVELIHOODS

We assist in livelihoods development for vulnerable and displaced communities to create sustainable income generation opportunities.



### CHILD WELFARE

We provide a one-to-one sponsorship programme to improve child welfare, keeping the safeguarding of children central to our approach.



### EMERGENCY RELIEF

We provide humanitarian assistance in the context of disasters, conflicts and emergencies in the form of food aid, medical aid and support to local health facilities, provision of shelter, camp management, and protection as well as WASH and education in emergency contexts.



### WASH (WATER, SANITATION & HYGIENE)

We provide access to clean water and sanitation, and improve hygiene practices and awareness among vulnerable and displaced communities.



### EDUCATION

We improve access to inclusive and quality education for children of school age in vulnerable, marginalised and displaced communities and equip young people and adults with relevant skills and knowledge through education and lifelong learning opportunities as well as technical vocational courses and training.



### FOOD SECURITY

We enhance food security through sustainable agriculture, strengthening resilience and improved nutrition amongst communities affected by disasters, conflict and poverty.

# GLOBAL PROGRAMMES STRATEGY

## TARGETS AND PROGRESS

Embedded into our Global Programmes Strategy 2018 -2020 are six Strategic Goals which remain at the forefront of every aspect of Human Appeal's programmatic work:

### 1. STRENGTHENING PRINCIPLED HUMANITARIAN ACTION, BY:

- Strengthening disaster-preparedness, participatory disaster response and resilience-building programmes and planning
- Ensuring our response is effective, timely, appropriate, relevant, and proportionate to the need
- Building a global reputation for expertise in protection activities
- Strengthening our commitment to the optimisation of humanitarian action

#### Progress in 2018:

- 1,036,741 supported through our emergency work across the globe
- 275,390 Rohingya people in Myanmar and Bangladesh provided with timely and relevant support
- 210 flood-affected families in Bardera, Somalia helped through emergency aid
- 5,840 vulnerable people in Iraq provided with rights, legal and gender-based violence (GBV) awareness, protection, and service referral through strengthening our protection activities
- Emergency and seasonal food aid delivered to vulnerable communities throughout the year, including during Ramadan and Qurbani, and throughout the winter months through flagship campaigns

### 2. MAXIMISING IMPACT FOR SUSTAINABLE CHANGE, BY:

- Delivering sustainable development programmes
- Developing a global reputation for expertise in food security and livelihoods

#### Progress in 2018:

- In 2018, we developed sustainable development opportunities for 205,103 people through family sponsorship, livelihood opportunities and training programmes

- We furthered our global reputation for expertise in food security by embedding it as a core competency and through the launch of our Food Security Policy
- We worked with farmers in Somalia, Iraq and Syria to increase their disaster and environmental resilience, and to optimize productivity and income
- Through our special request projects, we helped 108,545 people to develop their livelihoods and to access to clean water facilities
- Improved access to WASH facilities and hygiene awareness for Somali communities, supporting 9,300 people with training on best practices for hygiene, and access to water pumps
- 15,000 people in Gaza per day have been provided with access to drinkable water every day at Al Aqsa University through the installation of a brackish water desalination plant

### 3. ENSURING PROGRAMME QUALITY, BY:

- Working to improve programme monitoring, evaluation and learning
- Building capacity of and providing support to our field offices and local partners
- Improving accountability to affected populations, donors and other stakeholders

#### Progress in 2018:

Human Appeal continued to be committed to the highest standards of programme quality by meeting the recognised international standards, such as membership of the Core Humanitarian Standard (CHS) alliance. We aimed to incorporate the CHS commitments into all our programmes and processes. As standard, each project proposal we consider must address our cross-cutting principles of gender parity, sustainability, environmental protection and value-for-money.

### 4. STRENGTHENING AND ENHANCING THE ORPHAN AND CHILD WELFARE PROGRAMME, BY:

- Increasing orphan sponsorship and expanding geographical focus
- Ensuring child welfare and protection in all interventions

### ➤ Advocating for children's rights

In 2018, we expanded our orphan sponsorship to three new countries, reaching a total of 11,959 sponsored children in nine countries. This is an annual increase of 1,379 sponsorships, and falls just short of our target of 12,000. In 2019, we aim to sponsor 14,000 children, to integrate child welfare into all our programmes, and to advocate for children's rights.

### 5. STRENGTHENING DELIVERY AND IMPACT OF UK PROJECTS, BY:

- Improving and enhancing the quality of our programmes in the UK
- Challenging social injustice and poverty through advocacy
- Enhancing our funding models to strengthen UK programmes

In the UK, we strengthened our project delivery, and increased our support for vulnerable people in Greater Manchester and across the UK. We continued to establish foundations for our domestic programmes, and amplified their impact. Although our UK programmes budget remained relatively small, we cultivated local partnerships in order to innovatively strengthen our support of vulnerable communities.

In order to tackle the root causes of poverty, one of our core principles, we initiated discourse about poverty and formed valuable bonds with a wide variety of stakeholders, many of whom came from marginalised and vulnerable communities themselves. This year, we supported 46,569 vulnerable people in the UK through advocacy, food provision, financial support and our Wrap Up winter campaign.

### 6. SECURING QUALITY SUSTAINABLE INCOME TO SUPPORT OUR WORK, BY:

- Developing and strengthening partnerships with key institutional donors and networks
- Developing and strengthening partnerships with strategic partners and networks

In 2018, we increased our strategic partnerships in the UK and abroad, campaigned with like-minded local, national and international partners to influence policy, and participated in a wide range of national and global

discussions on development. By submitting development and humanitarian proposals to institutional donors – including the United Nations (UN), Department For International Development (DFID), Guernsey Overseas Aid Commission (GOAC), Qatar Charity, Islamic Development Bank (IDB), the Japanese Embassy and Reach Out to Asia (ROTA) – we secured quality and sustainable funding to support our international work.

### A FOCUS ON FOOD SECURITY

In 2018, we finalised our Food Security Policy, cementing Food Security as a core competency within our programmes, and contributing to SDG 2 (Zero Hunger) and 13 (Climate Action).

According to the Food and Agriculture Organisation of the United Nations (FAO) and the State of Food Security Report 2019, there are an estimated 820 million people in the world who are food insecure and live in chronic hunger.<sup>1</sup>

Over the past year, our food security programmes have helped 57,088 individuals to increase their resilience and their capacity to become food secure. We also provided emergency food aid to 463,862 people in conflict through food distributions, voucher systems, and the provision of school meals, which helped to promote attendance.

Our food security interventions aim to allow populations to live in dignity, without dependence on external support. Human Appeal's food security approach, and institutional funding proposals, incorporate the concept of food sovereignty: "the right of people to healthy and culturally appropriate food produced through ecologically sound and sustainable methods and their right to define their own food and agricultural systems."

We have successfully adopted multi-interventional approaches for sustainable impact, through our food security and livelihoods projects in Somalia, Iraq and Syria. We have also integrated nutrition programming into health facilities in Idlib which has contributed to our target of improving nutrition levels in vulnerable populations, especially women and children. We are hoping to continue and expand this work in 2019.



## OUR IMPACT IN 2018

➤ WE SUPPORTED  
A TOTAL OF  
**1,300,399 PEOPLE**  
IN 13 COUNTRIES



**11,959**

orphans sponsored  
in nine countries



**46,569**

people helped  
in the UK



**104,642**

people fed  
during Ramadan



**208,670**

people supported  
with Qurbani meat



**520,950**

people supported through  
long and short term food  
security projects



**205,103**

people helped  
through sustainable  
development projects



**1,036,741**

people supported  
through humanitarian  
response projects

## HUMANITARIAN RESPONSE & SUSTAINABLE DEVELOPMENT

Human Appeal's work can be divided into two major subthemes – humanitarian response and sustainable development.

According to the United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA), conflict remained the main driver of humanitarian needs in 2018, with over 134 million people across the world needing humanitarian assistance and protection.<sup>2</sup>

In light of the devastation from conflict occurring around the world, in 2018 we carried out humanitarian interventions in Bangladesh, Myanmar, Lebanon, Somalia, Syria and Yemen, providing humanitarian relief for 1,036,741 of the most vulnerable people.

### IN 2018, OUR HUMANITARIAN RESPONSE SUPPORTED:

- 275,390 Rohingya refugees through our food aid, WASH, and medical responses
- 306,533 Syrians through our emergency health, food, and winter projects
- 113,799 vulnerable Iraqis through emergency relief
- 34,738 Yemenis enduring conflict through humanitarian interventions

We also worked hard to build cross-cutting community and individual long-term resilience through sustainable development initiatives in Palestine, Iraq, Pakistan and Somalia, supporting a total of 205,103 people.

### IN 2018, OUR SUSTAINABLE DEVELOPMENT PROJECTS SUPPORTED:

- 43,301 people in Palestine by providing clean water, rebuilding homes, and supporting livelihoods
- 12,900 people through food security, WASH and livelihoods interventions in Somalia
- 43,736 Pakistanis through food security, livelihood initiatives, educational support, and special request projects
- 4,247 people in Iraq through protection projects, including gender-based violence awareness training
- 108,545 people through special request projects, which included providing training for beekeeping, and digging deep water wells in Senegal, Bangladesh and Pakistan.

# HUMANITARIAN RESPONSE

## KEY PERFORMANCE INDICATORS



Human Appeal's key performance indicators for our humanitarian interventions are derived from the first goal of our Global Programmes Strategy 2018-2020.

### 1. Strengthening principled humanitarian action.

#### 1.1 Strengthening our disaster preparedness, participatory disaster response and resilience-building programmes and planning.

**Indicator:** Being prepared to respond to emergencies, conflict and disaster through participatory methods of disaster response and resilience-building programmes.

#### 1.2 Ensuring our response is effective, timely, appropriate, relevant and proportionate to the need.

**Indicators:** Maintain the dignity and integrity of beneficiaries at each step of the project. Perform rapid needs assessments in every office before intervention, with community participation.

#### 1.3 Building a global reputation for expertise in protection activities.

**Indicator:** Become a global expert in protection activities during emergencies.

#### 1.4 Strengthening our commitment to the localisation of humanitarian action.

**Indicators:** Increase the effectiveness of partnership management. Implement the Charter4Change.

Our teams at HQ and in each country office have worked to align their work with these overarching targets. Through our humanitarian interventions in 2018, we made significant progress towards achieving these goals, and will continue to build on our successes whilst refining our approach as part of a broader commitment to continual improvement.



## LEBANON HUMANITARIAN RESPONSE



Lebanon hosts 1.5 million Syrian refugees – the largest concentration of refugees per capita.<sup>3</sup> Ninety percent of displaced Syrians are food insecure<sup>4</sup>, and 40 percent of school-age children aren't enrolled in school.<sup>5</sup> Lebanon also hosts an estimated 270,000 Palestinian refugees – 40,000 of whom fled the conflict in Syria.<sup>6</sup> Sixty-three percent of Palestinian refugees who arrived from Syria are severely food insecure.<sup>7</sup>

Through the provision of food aid, shelter and education sponsorship, we supported 75,078 people in Lebanon in 2018.

- ▶ We provided education sponsorship to **1,238** Syrian children
- ▶ We delivered bread parcels to **44,048** Syrian refugees

### OUR WORK IN LEBANON

In a project that will run until 2020, we worked with our implementing partner to provide 1,238 Syrian children in 12 schools with study materials, psychosocial support, and education sponsorship, which covers their transport and tuition costs.

We helped to combat malnutrition and food insecurity by providing 44,048 Syrian refugees in Bekaa and Aarsal refugee camps with bread packets.

In Wavel refugee camp, we improved the living conditions of 17 vulnerable Palestinian families by rehabilitating their houses to improve safety, security and dignity. This intervention included retiling floors, repairing metal roofs, replacing windows, insulating homes and upgrading bathrooms.

- ▶ We rehabilitated the homes of **17** Palestinian families

## MYANMAR AND BANGLADESH HUMANITARIAN RESPONSE



The Rohingya people have faced decades of systematic discrimination, statelessness and targeted violence in Rakhine State, Myanmar.<sup>8</sup> In 2017, a wave of brutal persecution forced hundreds of thousands of people to seek safety in neighbouring Bangladesh.<sup>9</sup> Today an estimated 745,000 still live in Cox's Bazar, Bangladesh,<sup>10</sup> and around 230,000 remain in Rakhine State, Myanmar, in crowded camps, or camp-like conditions.<sup>11</sup>

In 2018, Human Appeal responded to the crisis in Myanmar and Bangladesh, supporting 275,390 vulnerable Rohingya people, chiefly through humanitarian interventions.

### OUR WORK IN MYANMAR

In Sittwe, displaced Rohingya families are restricted from visiting markets and working,<sup>12</sup> and many people struggle to support themselves.<sup>13</sup> We supported 750 vulnerable Rohingya families in Sittwe during the harsh winter months, providing warm clothes, mattresses and food parcels containing rice, beans, chilli, salt and cooking oil.

- ▶ We supported **275,390** displaced Rohingya people in Myanmar and Bangladesh through food distributions, medical aid, and emergency health and sanitation interventions
- ▶ We provided **23,681** people in Myanmar and Bangladesh with food and meat during Ramadan and Qurbani

### OUR WORK IN COX'S BAZAR, BANGLADESH

In Jamtoli camp we provided 780 families with a fuel-efficient stoves, operational training, and two kilograms of fuel briquettes daily for two months. Since each stove combusts approximately one third of the firewood required by traditional stoves, this project helps to combat the rate of deforestation in the area.

Kutupalong camp is the world's largest refugee camp; residents live in temporary shelters and face the threat of waterborne diseases due to inadequate WASH facilities.<sup>14</sup> In 2018, we supported 18,650 Rohingya refugees in Kutupalong by providing clean water, hygiene kits, hygiene awareness sessions and bathing facilities. In partnership with Dhaka Ahsania Mission, we installed 81 toilets, 14 deep tube wells, and 15 bathing corners for women to improve safety and dignity.

Over 18,500 people in Ukhia Upazila were supported through two health camps, providing care for infection and disease, pregnancy, and antenatal care and nutrition.

- ▶ We distributed emergency food aid to **64,862** Rohingya people in Myanmar and Bangladesh

# SOMALIA AND EAST AFRICA HUMANITARIAN RESPONSE



Somalia hosts one of the most complex and longest humanitarian crises in the world. In 2018, flooding, drought and Cyclone Sagar<sup>15</sup> contributed to destruction, displacement and outbreaks of waterborne diseases,<sup>16</sup> in a country already decimated by conflict. An estimated 2.6 million people are internally displaced<sup>17</sup> and 1.5 million are severely food insecure.<sup>18</sup>

In 2018, we helped 43,378 people in Somalia, Kenya and Sudan through emergency interventions, including the distribution of food, medical supplies and blankets. In response to the need to build community resilience to flooding, we supported 2,478 people in Bardera, Gedo, Somalia.

## OUR WORK IN SOMALIA

### Helping flood-affected communities in Bardera, Gedo

Between June and July 2018, we combated malnourishment and provided essential supplies to the most vulnerable people affected by flash floods in Bardera, which greatly damaged farmland and homes and displaced thousands, by providing life-saving food and non-food supplies to 2,478 people.

Through our participatory approach, we collaborated with community leaders, local authorities and beneficiary

➤ We helped to alleviate the effects of flooding by providing food supplies for one month to **2,478** people

communities to help us identify those most in need and ensure the project served their best interests. The project therefore targeted those most vulnerable in society, including orphaned children, pregnant and breastfeeding women, female-headed households and the elderly.

Through our use of reliable and locally-sourced vendors in Bardera, we were able to procure 210 food parcels to distribute to the most vulnerable households, each containing: 25kg of rice, 25kg of wheat flour and 3 litres of cooking oil. We also procured 203 parcels of non-food items, each containing: jerry cans, multipurpose soap, plastic sheeting for shelter durability, blankets, buckets, a mosquito net, and mats for sleeping.

Our distribution of mosquito nets was particularly important for pregnant and lactating women and young children against their exposure to mosquitoes carrying malaria.

### Helping displaced families to survive winter in Mogadishu

In Mogadishu, we supported resilience against extreme weather by providing 489 displaced families (over 2,900 individuals) with winter supplies, such as blankets and durable plastic sheeting used to render shelters rainproof.

➤ We supported individual resilience against winter weather with shelter durability supplies for over **2,900** displaced people

# SYRIA HUMANITARIAN RESPONSE



Across Syria, an estimated 11.7 million people are still in need of humanitarian support and 6.5 million are food insecure.<sup>19</sup> Despite a reduction in hostilities in parts of the country, 2018 saw intense fighting in several locations.<sup>20</sup> Over 484,000 people required urgent medical assistance, putting strain on an already overstretched health infrastructure.<sup>21</sup> Almost half of all health facilities are either partially functioning, or not functioning at all.<sup>22</sup>

Human Appeal supported 275,819 Syrians through emergency interventions last year.

## OUR WORK IN SYRIA

In 2018, our work empowered local medical facilities and strengthened community humanitarian capacity. Working with UN OCHA and the United Nations Children's Fund (UNICEF), we provided life-saving emergency nutrition services in health facilities in Aleppo. We supported five primary health care centres, two mobile clinics and Al Imaan Hospital in rural Aleppo, benefiting a total of 35,688 vulnerable women and children.

These facilities provided paediatric and obstetric care, and screened for, treated, and monitored malnutrition, as well as treating infection and diseases. We also supported 40 community health workers, recruited staff, furnished the health centres and promoted outreach activities in the area.

➤ We supported **275,819** people through our emergency responses

➤ We provided **35,688** at-risk mothers and children with medical care

➤ We helped **113,506** people through winterization projects

In Ghouta, which is home to 393,000 people and was besieged between 2013 and 2018, we provided 3,000 cooked meals and 5,166 bags of bread to combat malnutrition, supporting a total of 35,664 vulnerable people.

During the conflict, Syria's livestock and crop production was halved, and continues to decline.<sup>23</sup> In Idlib, we partnered with OCHA to increase farmers' resilience and promote sustainable livelihoods and food security. We provided 1,500 vulnerable, skilled farmers with winter agricultural kits in Kafr Takharim, Bidama, and Darkush, and we provided 200 wheat farmers in Jisr al Shuqur with seeds, fertilizer, pesticides and fuel for irrigation.

In partnership with Human Appeal's Turkey Office, we were able to give a young Syrian girl, Reyyan Kasim, a smart artificial limb after she was critically injured from violence in Syria. Over a period of two months, Reyyan was examined by specialist technicians in Turkey and Syria where the need for a smart artificial upper limb, a four-way electronic palm, physical therapy for amputation due to muscle weakness, and training to use the new limb were identified. Until prosthesis application, Reyyan underwent a rehabilitation programme for strengthening, balance and coordination in Guven Hospital, Ankara. After the application, she underwent rehabilitation for daily activities, including resistance training. The prosthesis will be upgraded from 2 channels to 4 or 6 channels after 2026. This project was instrumental in transforming Reyyan Kasim's life after the life-changing trauma she had experienced.

➤ We promoted farming resilience in **1,700** farming households

➤ We provided **35,664** vulnerable people in Ghouta with food

## A SMART PROSTHETIC ARM FOR REYYAN



"We were playing hide-and-seek with my friends; my brother saw a bomber aircraft. He told us to get down... but we didn't."

When the bomb hit in the Syrian city of Aleppo, Reyyan received extensive injuries to her head, arm and legs. Her father explained, "As soon as I got outside, I saw the children; most of them were burnt. At the hospital, my other daughter and my niece passed away, and my son received surgery at once."

Reyyan was transferred to a hospital in Turkey for her immediate treatment. Once she was discharged, her father explained, an organisation met with the family.

"They had a look at Reyyan and said that they would take care of everything, including treatment and medical care. They told us not to worry; they would do whatever it took. That organisation was Human Appeal."

Reyyan was admitted to Guven Hospital in Ankara. With Human Appeal's support, her traumatic brain damage was treated and she strengthened and rehabilitated her weakened arm muscles to prepare them for the prosthesis. Human Appeal supported Reyyan with physiotherapy to help her to walk on her injured leg and provided her with a smart prosthetic arm with a four-way palm, which will be upgraded as she grows.

Her doctor explained, "Because we completed the rehabilitation process successfully, she responded very quickly when we first fitted the prosthetic arm. She was so excited on the day that she was going to receive the prosthesis."

"I just want to be able to walk back to my mother's side," said Reyyan. "I want to thank everyone who helped to get me this prosthesis".

## YEMEN HUMANITARIAN RESPONSE



In Yemen, the continuing conflict has exacerbated pre-existing vulnerabilities, degraded community resilience and accelerated the collapse of public institutions that provide basic services such as health clinics and water. Some three-quarters of the population – that's over 22 million people – need humanitarian assistance to survive.<sup>24</sup> Yemenis are living through the worst humanitarian disaster in the world, the most severe cholera epidemic since records began, and are on the brink of the worst famine in a century.<sup>25</sup>

In 2018, Human Appeal supported 34,738 Yemenis through our emergency interventions, including distributing food, non-food items (NFI) and medicine.

- We distributed medicine to health centres, providing **13,000** people with access to care and medicine for nine months
- We helped **1,400** people with cash-for shelter and NFIs in Al Hudaydah

### OUR WORK IN YEMEN

We provided 200 vulnerable families in Al Hudaydah, in which over 40,000 people were displaced by conflict<sup>26</sup>, with NFI kits and cash-for-shelter. Giving the families control over their choice of shelter helps to promote dignity, autonomy, and protection in vulnerable communities.

In Abs, we provided 9,450 displaced people and host households with food vouchers and cash-for-food, helping to support vulnerable people and the local economy.

To help at-risk families in Al Khabt through the bitter winter months, we provided 390 displaced families with winter kits containing blankets, mattresses and warm clothes for the whole family, as well as buckets, kitchen sets and plastic sheets.

- We promoted dignity, protection and the local economy through cash-based interventions
- We supported winter resilience for **2,370** people through winter kits and NFIs

# SUSTAINABLE DEVELOPMENT



Human Appeal is committed to combating humanitarian factors that inhibit progress towards sustainable development.

A complex dynamic between poverty, environmental vulnerability, and fragility continues to affect significant numbers of people. Of the 753 million people living in extreme poverty in the world in 2018, 59 percent were living in countries affected by either fragility, environmental vulnerability or both.<sup>27</sup> Hunger is significantly worse in countries with agricultural systems which are highly sensitive to the consequences of climate change, and in which the majority of livelihoods rely on agriculture.<sup>28</sup>

Throughout 2018, we continued to deliver quality projects which aimed to empower our beneficiaries with sustainable solutions to the global problems of food insecurity, unemployment, lack of water availability, and social and physical post-conflict reconstruction.

We worked to align our goals with the United Nations' Sustainable Development Goals (SDGs) with particular focus on our core competency of food security, which links to SDG 2, Zero Hunger, as well as:



Maintaining our commitment to our programme's thematic priorities, in 2018 we worked globally to support food security, livelihood development, WASH, and education.

# KEY PERFORMANCE INDICATORS

Our key performance indicators for sustainable development in 2018 reflect the second goal outlined in our Global Programmes Strategy 2018-2020:

## 2. Maximising impact for sustainable change

### 2.1 Delivering sustainable development programmes.

#### INDICATORS:

1. Improving water access, sanitation facilities and hygiene services for underserved communities whilst ensuring their engagement and improving awareness of best practices.
2. Equipping beneficiaries with the relevant skills and knowledge through inclusive education and lifelong learning opportunities.
3. Building a track record in youth empowerment projects.
4. Ensuring all projects are designed and implemented with the cross-cutting principles of gender parity, environmental protection, sustainability, and value-for-money.

### 2.2 Developing a global reputation for expertise in food security and livelihoods.

#### INDICATORS:

5. Developing food security as a core competency of the organisation.
6. Strengthening resilience among affected people and vulnerable communities.
7. Improving nutrition levels in at-risk populations, especially women and children.

Our teams at headquarters and in each country office have worked to align their work with these overarching targets. Through our development interventions in 2018, we made significant progress towards achieving these goals, and will continue to build and improve on this in future projects.



# IRAQ SUSTAINABLE DEVELOPMENT

Some 6.7 million Iraqis need humanitarian support and 1.8 million are displaced.<sup>29</sup> Although the conflict in Iraq has receded, there are severe protection-related concerns, particularly in relation to retaliation and gender-based violence.<sup>30</sup> Schools in conflict-affected areas are operating double and triple shifts to cope with the attacks on educational facilities; half of all schools in Iraq need rehabilitation,<sup>31</sup> and 3.2 million children attend school irregularly or not at all.<sup>32</sup>

We supported a total of 118,046 people in seven governorates in Iraq last year, providing protection, improving education facilities, and delivering food to vulnerable children.

## OUR WORK IN IRAQ

In 2018, Human Appeal assessed 1,500 households and published a report on returnee needs in West Mosul, commissioned by the UN High Commissioner for Refugees (UNHCR).<sup>33</sup>

We provided a safe learning space for 15,180 students in response to the Battle for Mosul, by rehabilitating 26 schools. We also provided education materials for 41 teachers, and renovated the water and sanitation facilities and rest areas, providing children who have endured unimaginable hardship with safe educational spaces.

Partnering with the World Food Programme (WFP), we launched the first school meals project in Iraq. Human Appeal provided up to 85,000 children across 149 primary schools in Mosul with locally-sourced daily school meals for three months. By employing local men and women to implement the project we ensured that the project not only encouraged school enrolment, but also supported the local workforce.

We collaborated with UNHCR to implement a cash-for-shelter rehabilitation and protection project in Mosul. We provided 690 families with cash grants empowering them with autonomy over the rehabilitation of their unsafe or damaged homes.

Working with a women's centre in west Mosul, we provided gender-based violence awareness training to 536 women

➤ We rehabilitated **26** schools and provided education materials for **15,180** pupils

➤ We provided school meals to up to **85,000** children in **149** primary schools

➤ We supported **690** families with cash-for-shelter-rehabilitation



and girls, and 918 men and boys. A further 684 children benefited from our psychosocial support. We also trained 985 women in vocational and psychosocial support skills, and managed 102 GBV cases.

Human Appeal's protection work extended to Kirkuk and Salah al Din governorates, where we supported a total of 5,840 people with general, legal, and GBV awareness and support. We supported and referred 27 GBV cases, offered 1,150 people legal assistance, and trained 1,252 in GBV awareness and prevention.

Our protection teams provided free advice and referrals to help vulnerable women understand and exercise their rights. The women's centre's provision of vital skills training, such as English courses and sewing workshops, has helped them to enter the workforce – many have started small businesses, becoming salon-owners and tailors. Being able to access a safe, supportive space has given the women the means to live independently, confidently and with valuable skills that they can pass on to their children.

➤ We implemented GBV training, referral and awareness, as well as vocational training at a women's centre in Mosul

➤ We supported **5,840** vulnerable people with general, legal and GBV protection response in Kirkuk and Salah al Din governorates.

# EMPOWERMENT, JUSTICE AND INDEPENDENCE FOR WOMEN IN MOSUL



Hiba\* is 37 years old and lives in West Mosul with her seven children.

"My husband used to beat my children and I," she told us. "He locked us in a room with no food until I gave him the money I inherited from my parents. Afterwards, he threw us out of the house. We went to live at my parents, and it was the same situation, in that my family didn't accept me and my children."

Hiba heard about Human Appeal's women's centre in West Mosul, and decided to get help.

"When I went to the women's centre, it changed my life. I received psychological support and found someone to share my sorrows with. I also got legal support."

The centre helps women to access their legal rights and protects them from further violence, but it also gives them the skills to become self-reliant and to contribute to their communities.

"I enrolled in the beauty salon course and started learning the foundations of makeup and hair styling. The course lasted for two months. After it ended, I had the skills I needed to start my own business. I told my neighbors and relatives about my skills and I started to work from home. I now earn enough to live independently with my children, without having to rely on my family.

"When I entered the women's centre, I got support that made me feel I was in another world – as if I was in heaven on earth. They welcomed me with a warmth and tenderness I had missed for many years. Thank you for giving me my dignity and self-confidence back."

\*Hiba's name has been changed to protect her identity.

# PAKISTAN SUSTAINABLE DEVELOPMENT



Pakistan's seasonal drought, cyclical floods and cyclones are major obstacles to resilience for a nation in which 42 percent are employed in the agricultural sector.<sup>34</sup> Some 22.8 million children are out of school – that's 44 per cent of school-age children.<sup>35</sup> Sixty per cent of Pakistanis are food insecure.<sup>36</sup>

We supported 87,865 people in Pakistan, through food security, livelihood, education and food distribution projects.

## OUR WORK IN PAKISTAN

We established computer laboratories in five public schools in Bagh District, Pakistan-administered Kashmir, which will support 1,155 students for years to come. We trained 25 teachers and 100 pupils on the maintenance and use of the equipment, ensuring the sustainability of the lab.

In Samundri, Faisalabad District, we built two classrooms, installed computer and science labs, provided hygiene training, and improved access to drinking water for the 600 girls, 100 boys and 45 teachers at the Government Girl's Primary School.

➤ We supported **1,900** students and teachers through education projects

➤ We help to improve livelihood opportunities and resilience to changing weather patterns for **6,800** people in 6 villages

In order to improve community resilience to changing weather patterns in Islamkot, we continued to support six villages by upgrading solar pumps, promoting community management and business skills, installing water wells, and training local farmers to establish kitchen gardens. We also offered livestock vaccinations and provided 120 of the most vulnerable families with a pair of milking goats to support sustainable livelihoods.

We strengthened resilience and mitigated the effect of the 2018 drought on vulnerable farmers and their livestock in six villages in Islamkot by vaccinating 5,000 animals, distributing three months' fodder to 150 households, and providing 150 farmers with training on livestock nutrition and management.

We provided health training to 1,500 women and children, and nutritional supplements to 600 children and pregnant and nursing mothers for three months. In all, this intervention helped 4,380 people to be resilient to the regional drought.

➤ We provided **23,627** people with food aid throughout Ramadan

➤ We delivered Qurbani meat to **19,175** people

# PALESTINE SUSTAINABLE DEVELOPMENT



The UN has warned that the Gaza Strip could become unlivable by 2020,<sup>37</sup> with frequent airstrikes and escalations compounding an already fragile environment. It is extremely difficult for Palestinians in Gaza to make a living due to high levels of unemployment, chronic power shortages, an economy that the World Bank described as 'in freefall,' and schools and hospitals that struggle to cope with demand.<sup>38</sup> Almost 70 per cent of households in Gaza are food insecure, and around 97 per cent of water is contaminated.<sup>40</sup>

We promoted sustainable solutions in Palestine by providing medical support, WASH facilities, livelihood training, and shelter improvement, helping a total of 43,301 people.

## OUR WORK IN PALESTINE

We supported Al Nasser Hospital's optic centre for six months, providing 3,200 people with check-ups and glasses.

➤ We supported **3,200** people with medical care at an optic centre

➤ We provided **2,075** families with food vouchers

➤ We installed a desalination plant to provide clean water to over **15,000** people daily

We continued to sponsor vulnerable households, supporting 2,075 Gazan families through a food voucher scheme that offers dignity and choice to the beneficiary. In Jerusalem and the West Bank, we provided 276 families with food parcels to help them through their most fragile time.

At Al-Aqsa University, Gaza, we installed a desalination unit, providing clean, safe water to 15,300 students, staff, and visitors. We also connected 50 vulnerable households to the water and sewage networks, with infrastructure that will allow a further 350 homes to be connected to these networks in the future.

In 2018, Human Appeal comprehensively repaired the homes of 12 vulnerable families. We installed locks, doors, tiles, plumbing and electricity. We also painted the homes and installed furniture where needed. Since we were also providing 12 small-business owners - including ten with hearing disabilities - with carpentry and business training, we integrated the two projects; the carpentry trainees received work constructing the furniture for the renovated homes, resulting in a holistic, cooperative and innovative approach.

➤ We repaired the homes of **12** vulnerable families

➤ We helped **40,422** people during Ramadan and Qurbani with food distributions



# SOMALIA

## SUSTAINABLE DEVELOPMENT



Over 2.6 million people are displaced within Somalia.<sup>41</sup> Protracted conflict, insecurity, and drought have forced already vulnerable families to leave home seeking safety and security. Some 2.5 million people cannot meet their daily food requirements, and half a million people are on the brink of famine.<sup>42</sup> Almost half of the entire population does not have access to a safe water supply, which often leads to the spread waterborne diseases and cholera.<sup>43</sup>

Our development projects in Somalia in 2018 offered sustainable solutions to drought, hunger, poor hygiene and farming impediments, supporting 12,900 people.

### OUR WORK IN SOMALIA

Responding to the drought and conflict in the regions of Banadir and Bay, Human Appeal provided 272 vulnerable families in Mogadishu with food vouchers for two months. These were exchanged with a local vendor for food parcels, empowering the families to receive the food parcels when they needed, and boosting the local economy.

We provided 350 small-scale farmers with seeds, tools and fertiliser, as well as good agricultural practices (GAP)

➤ We supported **10,244** people affected by conflict and drought in Banadir and Bay through food vouchers, farming support and the installing of latrines in KM13 camp for displaced people.

training to improve resilience and alleviate the risk of food insecurity.

We constructed 111 latrines in KM13 camp in Mogadishu, improving hygiene conditions for displaced people, particularly women, who fear attacks when travelling long distances to access latrines at night. We also trained ten hygiene promoters to lead the community in hygiene awareness practices to ensure the long-term improvement of conditions.

In Bardera district, we improved agricultural resilience by providing 600 farming families with seeds and tools, and preparing the land of 75 farmers. We delivered a week-long training course on modern agricultural practices, farm economy and marketing to 200 of the participants, who were entrusted to share with the wider farming community their new knowledge, including pest control, crop rotation, and rain water harvesting.

This intervention boosted agricultural production and provided community support and cooperation. With the increased production, farmers are able to buy more seeds and tools with their profits and sustain this farming best practice.

➤ We improved agricultural resilience by equipping **600** farmers with tools, seeds and training in Bardera.



## SUSTAINABLE DEVELOPMENT THROUGH SPECIAL REQUESTS



Human Appeal's Special Request projects give donors the ongoing opportunity to support vulnerable people through one-off charitable gifts. Special Request projects include installing sustainable water sources and providing a person with the tools, training and support to have a sustainable livelihood.

These projects provide practical solutions that fight the causes of poverty, ensuring that the beneficiary and their family can sustain this intervention in the long term. From an Islamic perspective, most Special Request projects can be considered a form of Sadaqah Jariyah (ongoing charity), providing continuous benefit to the benefiting community or family.

The Special Requests projects contribute to the UN's Sustainable Development Goals 5, 6, and 8, which are Gender Equality, Clean Water and Sanitation, and Decent Work and Economic Growth, respectively.

In 2018, Human Appeal Special Requests projects benefited a total of 108,545 individuals, with 93,495 benefiting from clean water access through deep well installation. Special Requests projects were implemented in Bangladesh (69,794 beneficiaries), Senegal (5,215 beneficiaries), and Pakistan (33,536 beneficiaries).

### DEEP WATER WELLS

Human Appeal is committed to alleviating one of the greatest health threats in the developing world: the lack of access to safe water. According to WHO, 785 million people do not have access to a basic drinking water service and contaminated water causes 485,000 diarrhoeal deaths per year.<sup>44</sup>

In line with SDG 6, Human Appeal provided water access in vulnerable communities through the construction of deep water wells in regions that are prone to drought and flooding. Last year, we installed nine wells in areas of Senegal where clean water sources are scarce. Working in Sindh, Khyber Pakhtunkhwa and Pakistan-administered Kashmir, we installed 342 deep water wells and 139 pumps in Pakistan. In Khulna, Bangladesh, we installed 203 deep water wells.

Each well serves an entire community of up to 5,215 people, as well as local livestock, and is expected to last a minimum of five to seven years.

Our deep water well interventions contribute to empowering local communities by improving access to water, sanitation facilities and hygiene services, while encouraging social engagement and improving awareness on best practices.



### HONEY BEE FARMING IN PAKISTAN

Human Appeal's Honey Bee Farming project has transformed lives since its inception in Pakistan five years ago. In 2014, Human Appeal Pakistan established a Honey Bee Association consisting of the first farmers trained by Human Appeal, which has since been training some of Pakistan's most vulnerable rural citizens to earn a self-sufficient and sustainable livelihood through honey bee farming.

Ensuring the sustainability of all our development projects is vital to us. Beneficiaries who take part in our Honey Bee Farming Project are not only provided with bees but also in-field training by experts, proper toolkits, bee feed and ongoing technical support free of charge to ensure that families do not incur additional costs whilst their small business becomes self-sustainable. All families are also linked with relevant local government departments for continuous support.

In 2018, we provided 93 farmers in Pakistan with a three-day training course, technical support, and all the tools needed to start a bee farm, such as bees, hives, bee-feed and protective masks. Thanks to the new skills we were able to provide, day-to-day life for the farmers and their families has improved. Through selling up to 75% of their total honey production in the local markets, our beneficiaries now have a sustainable income source meaning they are able to spend more on nutritious food, and on the health and educational needs of their children.

This project has empowered local communities by improving access to, and knowledge of, inclusive and sustainable agriculture – which has and will continue to benefit trained farmers and their families over generations through the creation of small-scale family businesses in honey production.

# ORPHAN SPONSORSHIP PROGRAMME

Globally, there are an estimated 140 million children who have lost one or both parents.<sup>45</sup> Often, it is the father – the breadwinner in many communities – that passes away, leaving the family struggling to afford basic necessities, such as food and shelter. Without sufficient support or financial stability, many orphaned children drop out of school to find low-paid, manual work. In some cases, they are abused, or manipulated into committing crimes.

### How we help

Human Appeal supports the basic needs of children who have been orphaned in nine countries: Iraq, Lebanon, Macedonia, Pakistan, Palestine, Somalia, Sri Lanka, Turkey (Syrian refugees), and Yemen.

Our orphan sponsorship programme provides the orphan or their guardian with financial support up until the age of 18, contributing towards the cost of food, shelter, clothing, and school supplies. Through long-term, direct financial aid, families are empowered to decide the best way to support each individual child.

Although we don't provide the sponsored child with education, we incentivise attendance; in order to be eligible for sponsorship, a child must remain in school, which increases their future prospects and ensures they get the best start in life. Our strict safeguarding requirements also provide significant protection of, and support to, the child or household.

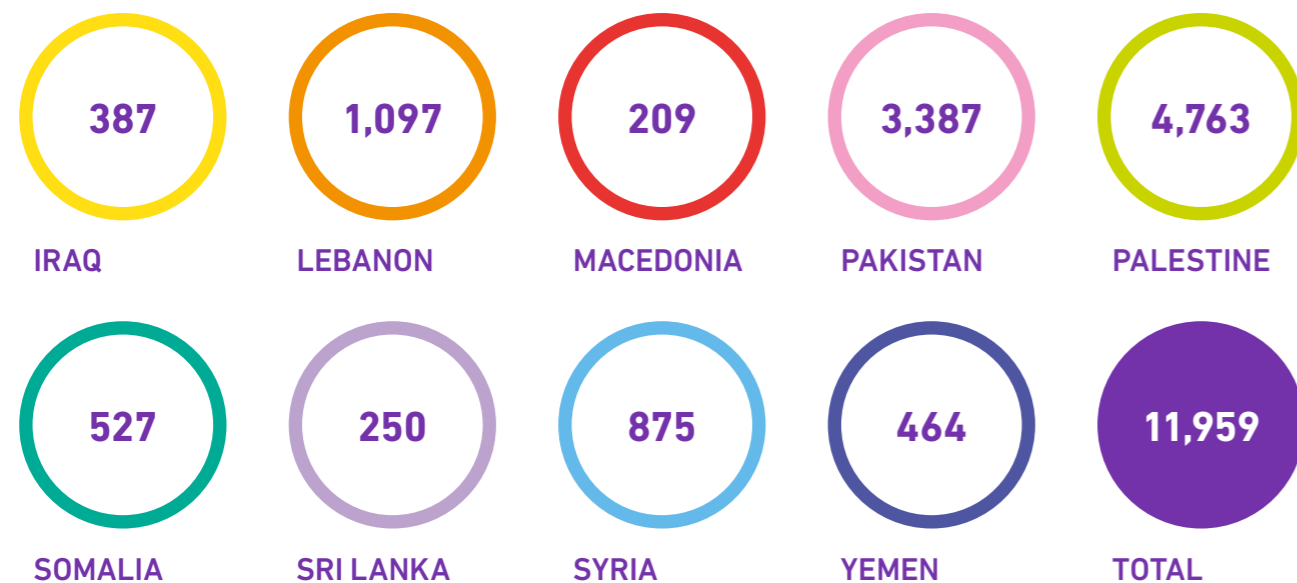
### Our achievements in 2018

In 2018, we supported 11,959 orphans, just short of our target of 12,000, with girls constituting 46 per cent of sponsored children. We also introduced sponsorship in three new locations – Iraq, Somalia and Turkey.

As part of our safeguarding and protection priorities, we are working towards ensuring that all field offices and local partners have a designated Child Protection Coordinator.

## SPONSORSHIP IN NUMBERS

Human Appeal's orphan sponsorship programme is funded by individual donors through Human Appeal UK, Human Appeal France, and Human Appeal Spain. In 2018, we received a total of £3,309,794.20 for orphan sponsorship, which is equivalent to £23.50 per child per month, or £282 allocated per child per year.



# CHANGING LIVES WITH ORPHAN SPONSORSHIP



**"Without the sponsorship I would not have been able to send Qasim to school."**

Each morning, 17-year-old Qasim takes a 30-minute bus ride to school, where he is in Year 11. When he gets home in the afternoon he helps around the house, does his homework and then plays football with his friends.

"The sponsorship has meant everything to us," explained his mother, Naureen. "Human Appeal has not only supported us with orphan sponsorship but, every year, they provide us with a Ramadan food parcel and meat on Eid al-Adha. We also receive school materials, health check-ups and sometimes uniforms and shoes."

When Qasim was just three years old, his father had a sudden heart attack and died. For several years, the

family struggled to get by on Qasim's grandfather's pension and Naureen took up tailoring to try to make ends meet. Human Appeal heard of Qasim's case nine years ago, and has been sponsoring him ever since. "This support has removed a lot of burden from us as we were not able to afford new school bags, notebooks and uniforms. Human Appeal has not only supported us with sponsorship but the staff has been always helpful in providing support."

"I started volunteering at Human Appeal," explained Naureen, "and thanks to the skills I learnt, I was able to get a job to support my family."

# SEASONAL CAMPAIGNS



Human Appeal’s seasonal projects reflect our faith-inspired approach to charity. Every year, we bridge the gap between our donor and beneficiary communities through our Feed the Fasting Ramadan programme, as well as the Qurbani sacrifice during Eid al-Adha.

Our annual winter campaigns focus on shelter and NFIs during the cold winter months, and our seasonal projects focus on serving communities living in poverty – both Muslim and non-Muslim – in line with our core value of leaving no-one behind.

In 2018, our seasonal campaigns continued to support thousands of people; we provided 104,642 people with nutritious food during Ramadan and 208,670 people with Qurbani meat.

**In 2018:**

- We provided **63,149** people with food parcels to last the month of Ramadan
- We distributed **35,251** hot and cold iftar meals
- We provided **6,242** meals to drop-in centres for homeless people in the UK

## RAMADAN

Ramadan is the holiest month in the Islamic calendar, and is considered a time of blessing and generosity. In total, Human Appeal’s Ramadan projects benefitted 115,828 people in Bangladesh, India, Iraq, Jordan, Kenya, Lebanon, Myanmar, Pakistan, Palestine, Somalia, Sudan, Syria, the UK, and Yemen.

Our Ramadan projects fed a total of 104,642 people in 13 countries. We provided 63,149 people with nutritious food parcels, which contain staples – such as rice, pasta, pulses, flour, sugar, tea and dates – as well other key ingredients tailored to local diet.

- We delivered Eid gifts to **2,103** children in Lebanon and Palestine
- We provided staple foods to **9,083** people through our Zakat

## QURBANI

The festival of Eid al-Adha marks the end of the sacred Hajj pilgrimage. Muslims around the world commemorate the obedience of the prophet Ibrahim by sacrificing an animal and distributing the meat to vulnerable people. Each year, Human Appeal helps thousands of Muslims to carry out this sunnah. In 2018, with the support of our donors and partners, Human Appeal distributed 18,485 fresh meat shares to 208,670 people over 13 countries.

**In winter 2018, we provided:**

- Shawls, jumpers, socks, scarves and blankets to **942** orphaned children and their mothers, supporting 357 vulnerable Pakistani families
- Blankets, mosquito nets, fuel-efficient, low-carbon ovens, and energy-efficient fuel briquettes to **1,000** Rohingya families in Bangladesh
- **40** flex sheets, **1,600** litres of heating oil, **100** blankets, **80** mattresses, and **150** jackets to Syrians in Lebanon
- Heaters to **300** vulnerable and refugee families in Jordan

## WINTER

In 2018, Human Appeal distributed winter kits to 20,009 people in seven countries. In Syria, we worked to alleviate the effects of heavy rains in camps for 7,162 displaced people in Deir Hassan. We gravelled the roads, upgraded the sanitation facilities, and installed a women’s toilet and shower block with hot water to promote dignity and safety.

- Trousers, jackets, pyjamas, wool jumpers, scarves and underwear to **2,000** Palestinians in Gaza, including **1,209** children
- Mattresses, pyjamas, socks and gloves to **390** displaced Yemeni families
- Jackets, gloves, hats, and wool scarves, socks and jumpers to **1,397** vulnerable Syrians in Turkey and Syria

# UK PROGRAMMES



## HELPING ADAM TO GET BACK ON HIS FEET

In Ramadan 2018, we helped Adam\* via The Booth Centre.

“When I got out of prison I was homeless and had nowhere to go,” he explained. “I was introduced to The Booth Centre. I was terrified, dead nervous. I’d sit in the corner with my back against the wall, I wouldn’t talk to anyone.

“Now I’ve been coming a few months, my confidence has increased and it’s thanks to The Booth Centre. They helped me find accommodation, and helped me buy my new glasses. The centre helped me with my doctors and sorted out my medical stuff. Now, as a volunteer, I feel part of a team. It feels like I’ve got something to get up for.”

The Booth Centre aims to bring about positive change in the lives of people who are experiencing homelessness or at risk of homelessness, to help them plan for and realise a better future.

The dedicated staff do this by working alongside the people attending the centre to provide activities which help people rebuild confidence and learn something new whilst having fun and building social connections. They run arts, and employment and skills sessions daily, as well as offering everyone a healthy, free breakfast and lunch.

In 2018, Human Appeal partnered with Street Support Network to fund the Booth Centre, among other small local charities, providing hot meals for the homeless throughout the month of Ramadan. The Hot Meals Programme grant offered an opportunity for small organisations and groups to apply for funding in order to continue their in-door provisions to help the most vulnerable people across Greater Manchester and London. In Manchester, the project funded 5 drop-in centres which fed around 2,242 homeless people.

\*Adam’s name has been changed to protect his identity.

In the UK, over 320,000 people – or one in every 200 – are homeless. Since 2016, Human Appeal has partnered with over 20 organisations in a bid to tackle homelessness, one of our key domestic aims. For the past three years, we have supported advocacy, allocated funds to help those without secure housing, and continued to commit to the Manchester Homelessness Charter.

**In 2018, we:**

- helped a total of **46,596** people through UK programmes
- issued **125** cash grants to vulnerable migrants
- collected **30,787** coats for rough sleepers
- distributed **20,244** hot meals to homeless and food insecure people
- launched and supported nine campaigns
- were nominated for two awards for our work in the UK

“

**Of particular note, we have achieved one of our core programme goals – to challenge social injustice and poverty through advocacy and civic engagement.**

”

**Samra Said**  
UK Domestic Programmes Manager

## COFFEE4CRAIG

Coffee4Craig is a drop-in centre that supports homeless people in Greater Manchester and South Wales by offering showers, hot meals, haircuts and phone access, clothes and housing support.

Human Appeal supported Coffee4Craig for a period of six months, providing 7,722 meals and enabling the centre to hire an extra part-time staff member over the winter to meet increasing demand.

## DESTITUTE MIGRANTS’ RELIEF FUND

The Destitute Migrants’ Relief Fund, which is managed by Street Support Network (SSN), aims to improve the wellbeing of vulnerable migrants who have no access to public funds and who cannot work.

Human Appeal contributed £10,000 to the fund, which provided 125 vulnerable migrants with cash grants to allow them to attend English lessons, buy winter clothes and phone credit, and travel to access the Home Office, solicitors, and medical care. The grants are awarded via five partner organisations: Mustard Tree, British Red Cross, Refugee Action, Women Asylum Seekers Together and Growing Together Levenshulme.

## RAMADAN HOT MEALS

Partnering with SSN to fund local organisations, Human Appeal provided hot meals to 2,242 homeless people in 2018. The local charities that received funding to sustain their activities in Greater Manchester and London were Barnabus Manchester, The Booth Centre, Manchester Mind, Supporting People in Need, and Infinity Initiatives.

## INSTITUTIONAL FUNDING AND STRATEGIC PARTNERS



In 2018, Human Appeal increased its strategic partnerships in the UK and abroad, campaigning with like-minded local, national and international partners to influence policy, and participated in a wide range of national and global discussions on development.

We worked proactively towards SDG 17, which seeks to strengthen global partnerships for sustainable development, and we maintained and developed partnerships across the globe to secure sustainable, long-term income for the improved implementation of quality programmes.

We are members of various forums that assist us in information sharing, learning, networking and improving our effectiveness on the ground. In 2018, we also became a member of Development Aid, which we believe will provide us with more opportunities for institutional funding and strategic new partnerships. In 2019, we are looking forward to becoming a member of Start Network and the Rapid Response Facility (RRF).

We have continued working with strategic partners, some of whom have supported our work for many years. We successfully bid for funding from 25 institutional donors, notably the United Nations, DfID, GOAC, Qatar Charity, IDB, Embassy of Japan and ROTA. These humanitarian and development contracts helped Human Appeal to deliver life-saving, sustainable, and transformative programmes to the people who need it most.

### Key institutional partner achievements

➤ In Yemen, the World Health Organisation (WHO) supported Human Appeal's response to the cholera outbreak, and an emergency life-saving health and nutrition project.

➤ With UN OCHA's support – notably through Al Imaan Hospital in rural Aleppo - we were able to strengthen the resilience of people enduring conflict in Iraq, Syria and Yemen through health, protection, food security, and livelihoods projects.

➤ UNHCR supported our establishment of a women's centre in Iraq, which offers vocational training, psychosocial counselling, child-friendly spaces, and support for women who have experienced gender-based violence.

➤ Support from WFP helped us to deliver emergency school meals for primary schoolchildren in rehabilitated schools in West Mosul.

➤ In Somalia, GOAC supported our intervention, which helped 3,600 smallholder farmers to improve their agricultural production, increase their food security and develop the sustainability of their livelihoods.



# CAMPAIGNS & FUNDRAISING



Transparency, accountability and credibility are paramount to Human Appeal, and we take pride in our robust policies and procedures when it comes to fundraising and receiving donations from our supporters. We adhere to all relevant statutory regulations, including the Data Protection Act 2018 and the Charities Act 2011. We are registered with the Fundraising Regulator and strive for best practice in fundraising by aligning our internal policies and procedures to adhere to the Code of Fundraising Practice.

Human Appeal's fundraising approach comprises the following key areas:

- Community fundraising
- Challenges
- Charity hubs
- Direct mail
- Events
- High-net-worth and corporate giving
- Live TV appeals
- Online giving
- Volunteers

All key internal stakeholders work collaboratively to ensure transparency across the board. This enables us to focus on effective delivery in the field, ensuring we identify and implement the appropriate fundraising activity to enhance engagement and revenue through digital marketing and media platforms.

In 2018, all fundraising was carried out by Human Appeal staff and no professional fundraising agencies or third parties were hired.

## FUNDRAISING ACTIVITIES

Our community fundraising team helped to achieve our fundraising target through community-led activities, events, partnerships and innovative campaigns.

Last year, our fundraising included the following highlights:

- A national university tour, in partnership with the Federation of Student Islamic Societies (FOSIS), which helped to sustain our volunteer-led fundraising
- Nights of Spirituality, a six-city tour with world-renowned Nasheed artists, raising funds for our Syria appeal
- A record 313 fundraising activities in the 30 days of Ramadan

- A nationwide tour with world-renowned Quran reciters who visited mosques, community centres and banqueting halls across the UK
- A series of fundraising Grand Iftars across British cities during Ramadan
- Outdoor events with partners, including Green Lane Masjid's Eid prayer, considered to be the largest congregation in Europe
- Partnered with Big John's Birmingham Mela at Cannon Hill Park, where thousands congregated to celebrate Asian cultures. Our partnership allowed us to raise awareness about our projects to the public, with the help of 60 volunteers
- Participation by our fundraisers in Nowka Bais, a boat race led by the Bangladeshi community at Edgbaston Reservoir, Birmingham. Our team managed to get to the quarter finals and raise over £21,000 for water projects in Bangladesh
- Partnering with Al Noor Foundation to fundraise at a two-day funfair that attracted over 12,000 people at Valentines Park, London
- A tour of several mosques with Sheikh Jibril, in preparation for Eid al-Adha
- Wrap Up Manchester, our award-winning campaign was rolled out nationally to become Wrap Up UK. We worked with local partners in Manchester, Glasgow, Bradford, Birmingham and London to collect coats and clothes to deliver to charities that support homeless people

## COMEDY TOUR

Our fourth annual comedy tour was attended by a record-matching 7,000 people in 16 cities, which, with the help of 194 volunteers, raised money for our Winter Appeal. We developed our planning and execution over the past four years to incorporate effective strategies, policies, and procedures.

Last year was a major milestone for our fundraising department, in which we established a concrete pattern of working with local communities, and improving the standard of our tours and events. This enabled us to raise even more for our international relief and sustainable development programmes and drive down the large costs usually associated with fundraising.

## Code of Fundraising Practice:

During 2018, we performed an internal audit of our compliance with the Fundraising Regulator's Code of Fundraising Practice. We plan to execute an internal audit of compliance in 2019.

All of our fundraising activities have been implemented in line with our fundraising standards. The regular monitoring and internal auditing of fundraising activities have enabled us to focus on accountability and value-for-money to ensure a healthy return on investment. Based on internal policies, procedures and standards, all aspects of fundraising were implemented in line with the relevant guidelines in order to protect the donor from unreasonable intrusion of privacy or undue pressure to give money or other property to the charity.

All staff must adhere to our internal policies and have undergone mandatory training, including General Data Protection Regulation (GDPR), safeguarding, Human Appeal policies and values, procurement, cash-handling, volunteer management and financial conduct, as well as due diligence and speaker checks for fundraising events. Further training for fundraisers has included First Aid and Fire Marshal training, so that each team is safely prepared during our fundraising activities.

## Protection of vulnerable people:

Human Appeal is committed to the Fundraising Regulator's Code of Fundraising Practice and ensures that staff and volunteers are fully briefed about the protection of vulnerable people. Before any external fundraising activity, we brief staff and volunteers on best practice and make them aware of the need to identify, respect, support and protect vulnerable people.

## Complaints handling:

Our complaints policy is in place in order to responsibly record and respond if and when we do not meet the high standards we set ourselves. Complaints can be lodged through our call centre, by letter or email, or in person. Complaints are captured centrally via our call centre, dealt with in accordance with the process in our complaints policy and reported to the Fundraising Regulator through the annual return.

We received two complaints in 2018 in relation to fundraising, which were investigated and addressed in accordance with the complaints policy.

General Data Protection Regulation Due to recent regulations of compliance with the GDPR, staff across the organisation have taken mandatory GDPR training. Human Appeal has a Data Protection policy and privacy statements.

# VOLUNTEERING WITH HUMAN APPEAL



Volunteers are integral to the success of Human Appeal. Given the correct opportunities, volunteers can greatly reduce operational costs, offer innovative fundraising ideas, and increase brand recognition.

At Human Appeal, our volunteers increase our capacity to help beneficiaries by applying their skills and knowledge to raising funds, supporting events and internships. Their engagement with the community allows us to achieve greater alignment, impact, value and visibility.

For volunteers, the experience can be empowering, allowing them to develop transferable professional skills, meet new people, harness an ethos of community and instil a sense of self-worth.

## OUR VOLUNTEERING TEAM

In 2018, Human Appeal recruited a new Volunteering Team in order to direct and revitalise the volunteering programme. Their objective was to ensure that volunteers were being guided effectively for a mutual benefit, whilst also ensuring that the organisation is compliant with the set standard for volunteering by the Charity Commission, Fundraising Regulator and The National Council for Voluntary Organisations.

The Volunteering Team worked with staff to establish team leaders among volunteers in London, a scheme which was then rolled out across key UK cities. By the end of 2018, we had 21 volunteer leaders who helped to recruit, manage and support other volunteers.

The Volunteering Team trained head office staff on the management of volunteers and interns in order to provide them with the appropriate knowledge, skills,

and confidence. Staff reported their enjoyment and satisfaction, and, subsequently, the number of interns at head office increased.

The implementation of new processes was an opportunity to ensure that staff members understand our new policies and procedures and carry out their work according to best practice when managing volunteers and interns.

## STAFF FEEDBACK:

“The best training session I have ever been to at Human Appeal so far. You guys have done an amazing job and the session was fun.”

“Good training with loads of interaction and very well delivered.”

“I thoroughly enjoyed the training. It was interactive, engaging, and beneficial.”

## TYPES OF VOLUNTEERING

Due to the legal framework of managing volunteers and fundraising regulations, we identified the need to update the Volunteer Agreements and create a new Volunteering Policy and a Volunteers' Handbook. Human Appeal currently has four levels of volunteering, defined by the nature of the volunteer's activities and commitment

INTERNS	VOLUNTEER TEAM LEADERS	EVENT/PROGRAMME VOLUNTEERS	WORK EXPERIENCE VOLUNTEER
<ul style="list-style-type: none"> <li>➤ Minimum commitment: three weeks</li> <li>➤ Office-based</li> <li>➤ Role dependent on relevant departmental needs</li> </ul>	<ul style="list-style-type: none"> <li>➤ No minimum commitment</li> <li>➤ From home or event-based</li> <li>➤ Leading and managing programme/event volunteers</li> </ul>	<ul style="list-style-type: none"> <li>➤ No minimum commitment</li> <li>➤ Events-based within their region</li> <li>➤ Supporting at events and with campaigns</li> </ul>	<ul style="list-style-type: none"> <li>➤ Minimum commitment: 1 week</li> <li>➤ Office-based</li> <li>➤ Limited admin tasks due to GDPR</li> </ul>

## INTERNSHIPS

At Human Appeal, internships are office-based voluntary roles, which require a minimum commitment of three days per week for three weeks. Internships, which continued to increase in number last year, alleviate Human Appeal's workload while providing the intern with vital professional experience; some interns go on to become employees at Human Appeal. The following table indicates the number of interns at Human Appeal after the Volunteering Team became active in June 2018, as well as the number that were recruited into employment.

DEPARTMENT	NO. INTERNS RECRUITED	NO. EMPLOYED INTO HUMAN APPEAL JOBS
People and Culture	5	3
Systems and Development	4	2
Programmes (including UK)	2	1
Procurement	1	0
Fundraising	1	0
<b>TOTAL</b>	<b>13</b>	<b>6</b>



## WORK EXPERIENCE

Alongside hiring interns, the Volunteering Team worked with local schools and colleges to provide work experience opportunities to students aged 15 to 18 at head office. This work experience gave the students an insight into working in an international organisation. Similarly to the interns, these students helped to alleviate workloads and support our work. From October to December, Human Appeal hosted five work experience students in our People and Culture, and Systems and Development departments.

## VOLUNTEER DATABASE

Human Appeal's volunteer database is a secure, central record in which we store, manage and retrieve the data of people who have registered to volunteer with Human Appeal. It allows us to comply with the regulations outlined by GDPR and the Charity Commission and to assess our volunteer pool. At the end of 2018, we had a database of 1,024 registered volunteers.

## WORK EXPERIENCE

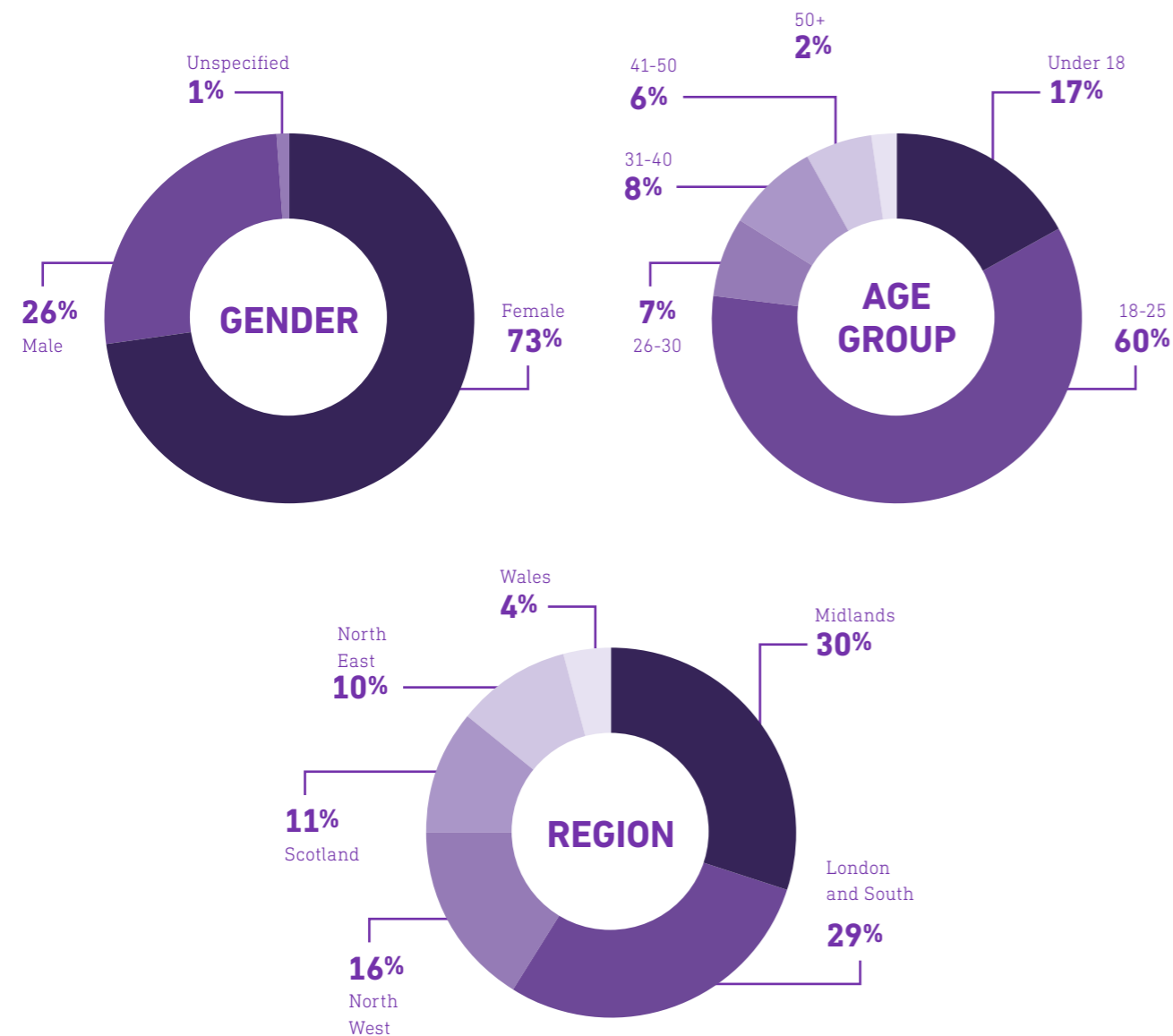
During our winter Wrap Up campaign, 68 volunteers in Birmingham, Glasgow, and Manchester collectively contributed 510 hours through leafleting, collecting and sorting donations, and delivering items to local charities.

In November, we launched the winter Volunteer Response Programme in Manchester to help counter the nationwide rise in rough sleeping. Our trained volunteers supported Greater Together Manchester night shelter from November 2018 to March 2019, during which time they prepared food, served hot drinks and food, provided emotional support and helped to prepare the venue. Collectively, they logged a total of 52 hours.

Our comedy tour visited 16 cities, raising money for our Winter Appeal. Volunteers received training and induction to ensure that they complied with Human Appeal's commitments to health and safety, safeguarding, and cash handling. Some 194 volunteers contributed 987 hours collectively and a further 133 new volunteers were recruited during the tour.

For International Volunteers Day on December 5, Human Appeal recorded a video thanking our dedicated volunteers, which included messages from the CEO, and the fundraising and volunteering teams. We posted thank you cards to all of our volunteers and organised a meal for all our interns.

## VOLUNTEER DEMOGRAPHICS



## UNIVERSITY FAIRS

From September 27 to October 18, the volunteering and fundraising teams attended university fairs across the UK. We promoted Human Appeal's work to students, raised awareness about our projects and showcased our volunteer roles, resulting in 398 students signing up.



## COMMUNICATIONS AND PUBLIC RELATIONS



Human Appeal's communications in 2018 focused on shining a light on hidden and neglected issues, both in the UK and abroad.

In March, we marked the anniversaries of the conflicts in Yemen and Syria with the launch of our report, *Hunger as a Weapon of War*. The report highlighted how aid in the conflicts in Yemen and Syria was being prevented from reaching vulnerable populations, how non-political, neutral aid agencies like ourselves were being prevented from fulfilling our objectives fully, and the devastating effects these actions have on civilians in the short, medium and long term. The report was well received in both the humanitarian community and by the media.

Keen to engage with our supporters and build trust and transparency, in March we ran a comprehensive feedback campaign, answering some of our supporters' most frequently asked questions.

Our Ramadan campaign for 2018, 'Ramadan – Believe' took a different approach to previous years. For our pre-Ramadan launch we decided not to hold our usual London Gala Dinner. Instead, in line with our efforts to shine a light on hidden issues, we announced that during Ramadan we would feed 20,000 homeless people. To launch the project, we held events with Street Kitchen in London and Street Support Manchester, feeding homeless people and enabling us to build even more links with the local community. The events were attended by people of all faiths and none, as well as mayor of Greater Manchester, Andy Burnham.

At the end of Ramadan, we held an event in partnership with GLM in Birmingham, Eid in the Park, which was attended by 140,000 people. The event was covered in national news outlets including the BBC and Metro as well as local news outlets.

We also ran Hajj and Qurbani campaigns in 2018, raising funds to help some of the most vulnerable people around the world.

In October, we lobbied Foreign Office Minister Alistair Burt MP on the issue of Yemen at Conservative Party Conference. We also published the results of a poll we held with YouGov which found that 42% of the UK don't know there was a war happening in Yemen. The poll gained coverage in international news outlets and the UK's *The Independent*.

Throughout the year we hosted a number of politicians at our offices including our local MP, Mary Robinson. Our work was visited by Kate Green MP, Sir Graham Brady, and Andy Burnham in our efforts to engage more civil society figures in the work of Human Appeal, highlighting the work we do in the UK and abroad.

We ended the year with a fantastic achievement by our UK team. In partnership with Wrap Up London we collected and distributed over 5,000 items of winter clothing to homeless people across the UK. The project was reported in the Mirror and local news outlets including London's Evening Standard.

## BRAND AND IDENTITY

Human Appeal began over 27 years ago as two students in Manchester. Now our work spans the world. We needed to develop a truly global identity to ensure we are easily recognised whichever country we operate in, and we wanted to present ourselves to the world as the human-centred charity we've always been. So, in 2018, Human Appeal rebranded.

Since the very beginning, Human Appeal has been united by our common unity and simple human instinct to help others, regardless of creed or colour. Our new brand identity tells the world that we are here for all of humanity and not just part of it. It also represents our vision to become the global agent of change for a just, caring and sustainable world. Although we are proud of our achievements over the years, we have much work to do. We are facing a humanitarian crisis, with some 70.8 million people displaced and nearly half the world's population living in dire poverty on less than £2 a day.

Our aim is to help tackle humanity at its worst by appealing to humanity at its best. To do this we must be more effective. This means recruiting more donors. More staff. More volunteers. It means forging more partnerships, innovating and investing. It means reacting more immediately and incisively to emergencies and delivering more long-term positive outcomes in more communities. To do more and to be more, we need to be noticed more.

Launching the new Human Appeal brand in March 2018 was an exciting time. Re-branded email signatures and

stationery were rolled out globally. A bold outdoor bus campaign amplifying our global charity messaging could be spotted in major towns and cities throughout the UK, while a UK-wide PR campaign highlighting Human Appeal's achievements and hopes for the future gained momentum. At the same time, our SMS messages and digital banners alerted audiences to our re-brand, while our email newsletter and long-form blog educated readers, in substantial detail, on the importance of our new identity. We also reached out to our valued partners, influencers and affiliates, encouraging them to share our launch campaign with their online communities.

We are still the same global humanitarian and development organisation, saving lives alleviating poverty, transforming and empowering local communities, whilst championing humanity, impartiality, neutrality and independence. Whether we are reaching out to our audiences online via our website blog and social media channels; email marketing and SMS messages; through mosques with posters and leaflets; or through direct mail or our call centres and fundraising events; our new global brand and identity is now unified and easily recognisable in every communication, at every touchpoint across all of our territories worldwide. From our logo and typeface to the way we talk to our donors, it will enable us to have a bigger impact on an even greater number of vulnerable people around the world.

# STRUCTURE, GOVERNANCE AND MANAGEMENT

## GOVERNING DOCUMENT

Human Appeal is an international non-governmental organisation (NGO) incorporated in the United Kingdom as a company limited by guarantee at Companies House in England. It is registered as a charity with the Charity Commission of England and Wales, as well as with the Office of the Scottish Charity Regulator (OSCR). Human Appeal works across the globe to strengthen humanity's fight against poverty, social injustice and natural disaster, through the provision of immediate relief (usually in the form of emergency response to a natural disaster or man-made calamity) and the establishment of self-sustaining and long-term development programmes.

Human Appeal was formerly known as Human Appeal International and was legally established in 1991 by a trust deed and registered on 3 June 2013 with the Charity Commission under registration number 1005733. In 2014, Human Appeal changed its legal structure, registering as a company limited by guarantee at Companies House in England 22 March 2004, and with the Charity Commission 21 October 2013 under registration number 1154288. The funds in the original trust were transferred to the newly incorporated company, and thereafter the original trust was de-registered on 26 February 2014. Human Appeal has been operating under the company structure to this day. Human Appeal's name change was reflected by Companies House 1 October 2016.

### Human Appeal's objectives as enshrined in its governing document are:

- The prevention or relief of poverty anywhere in the world by providing grants, items and services to individuals in need and/or charities or other organisations working to prevent or relieve poverty
- The prevention or relief of poverty or financial hardship anywhere in the world by providing or assisting in the provision of, education, training, healthcare objects and all the necessary support designed to enable individuals to generate a sustainable income and be self-sufficient
- The relief of financial need and suffering for survivors of natural or other disasters in the form of money or other means deemed suitable for persons, bodies, organisations and/or countries affected, including the provision of medical aid

From its origins in the UK, Human Appeal has established operations in a number of countries across the globe. Today it conducts its operations in one of three ways:

- By establishing a permanent presence through a separate local entity, which is independent of the UK Human Appeal entity
- By establishing a branch of the UK Human Appeal entity and all operations in that country being carried out through that entity
- Emergency, seasonal responses, short term responses performed by a team from an existing Human Appeal office or through a partner organisation. Prior to being contracted by Human Appeal, any partner organisation is subject to rigorous due diligence checks (the procedure includes screening through Thomson Reuters World-Check) before being entrusted to implement projects for Human Appeal

Human Appeal's vision is a just, caring, sustainable world, and its mission statement is to:

- Emerge as a leading international humanitarian and development agency
- Develop immediate and long-term sustainable interventions
- Empower local communities through inclusive development to build local capacity
- Champion peace and justice through effective advocacy
- Ensure the protection and security of our stakeholders

Human Appeal undertakes its work with the following values in mind:

- Excellence, professionalism and commitment
- Trust and respect for all
- Integrity and transparency
- Empowerment and equality

Key risk management, financial policies, and procedures:

- Risk Management Policy
- Serious Incident Reporting Policy
- Counter-Terrorism and Anti-Money Laundering Policy
- Finance Manual – regulating controls and procedures over income and expenditure including financial management and reporting.

- Child Protection and Safeguarding Policy
- Field Security and Field Reporting Policies
- Aid Diversion Policy
- Monitoring and Evaluation Policy
- Logistics and Procurement Policy
- Beneficiary Selection Policy

## BOARD OF TRUSTEES

The Board of Trustees directs and oversees the charity. The Board appraises the CEO and the executive management team, and oversees strategic planning, governance and regulatory requirements.

### Recruitment and appointment of trustees:

New trustees are nominated by members of the Board of Trustees, interviewed and then appointed if they have the necessary skills and knowledge to contribute to the charity's development and management. All trustees are volunteers that dedicate their time, skills, knowledge, and experience to Human Appeal.

### Trustee induction and training:

To ensure Human Appeal benefits from a professional, appropriate board, trustees are provided with a comprehensive induction and ongoing training in new or emerging areas of responsibility. New trustees receive a full overview of the strategic and operational functions, their legal obligations under charity laws and regulations (including the charity's Memorandum and Articles of Association), the decision-making process, recent financial performance, future plans, and objectives of the charity. They also meet other trustees, the leadership team and key employees.

The CEO and Executive Director keep trustees up-to-date with changes in regulatory standards and training possibilities. We continually evaluate the board's effectiveness. The Board of Trustees receives regular performance reports and annual financial reports, plans and budgets.

### Organisation leadership:

The CEO is accountable to the Board of Trustees and, along with other senior staff, is responsible for the day-to-day management of the organisation. The CEO chairs the leadership executive team, which is made up of key functional leaders. The leadership team ensures the

policies agreed by the Board of Trustees are implemented and they also support the work of other staff and volunteers.

### Responsibilities of leadership:

The trustees - who are also directors of Human Appeal for the purposes of company law – are responsible for preparing the Trustees' Report. This includes the group Strategic 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 charitable company and group, and of incoming resources and application of resources, including income and expenditure of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charity Commission Statement of Recommended Practice (SORP 2015)
- Make judgments and accounting estimates that are reasonable and prudent
- State whether applicable UK accounting standards and statements of recommended practice 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 group will continue in operation

The trustees have to keep proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and group that enables them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for safeguarding the assets of the charitable company and group and therefore for taking reasonable steps to prevent and detect 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.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Statement on disclosure of information to the auditors:

Under Section 418, in the case of each director in office on the date the Trustees' Report is approved, the reports include a statement that declares that:

- So far as they are aware, there is no relevant audit information of which the auditors are unaware
- They have taken all the steps that they should have taken to make themselves aware of any relevant audit information, and to establish that our auditors are aware of that information

### Company limited by guarantee:

Members of the charity guarantee to contribute an amount not exceeding £1 to the net assets of the charity in the event of winding up. The total number of such guarantees at 31st December 2017 was 4. The trustees are members of the charity but this entitles them to voting rights. The trustees have no beneficial interest in the charity.

### Public benefit:

The trustees have taken into account the statutory duties of public benefit. This report highlights examples of Human Appeal's activities that illustrate how our work fulfils public benefit and the benefits it brings to individuals and communities globally, irrespective of their race, religion, or creed. We develop strategic plans to make certain that we provide maximum public benefit and achieve our strategic objectives, which fall under purposes defined by the Charities Act 2011. In setting the charity's objectives and planning activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

### Remuneration policy for key management personnel:

None of the trustees receive remuneration or other benefit from their work with the charity. Any connection between a trustee or senior manager of the charity with a donor, beneficiary, supplier or contractor must be disclosed to the full Board of Trustees in the same way as any other contractual relationship with a related party would be declared. In the past year, no such related party transactions were reported. We believe that the opportunity to have a positive impact on the lives of vulnerable people is an important part of the total reward of working for Human Appeal, especially at management level.

In setting appropriate pay levels for key personnel, our remuneration policy reflects and takes into consideration specific matters such as the assignments and responsibilities undertaken. In addition, the remuneration policy helps promote long-term goals for safeguarding our company's interests. Benchmarking is undertaken to ensure that the remuneration of key personnel matches the level in comparable organisations, whilst also taking into consideration the required competencies, effort and the scope of board work.



# STANDARDS, PRINCIPLES AND CODES

We are committed to industry-specific standards, principles and codes in addition to Investors in People and the ISO 9001 quality standard. We are committed to applying the Sphere Humanitarian Charter and Minimum Standards in responding to humanitarian crises. We adhere to:

## INTERNATIONAL RED CROSS AND RED CRESCENT MOVEMENT CODE OF CONDUCT

We are a signatory to the following principles of the International Red Cross and Red Crescent Movement Code of Conduct:

- The humanitarian imperative comes first
- Aid is given regardless of the race, creed or nationality of the recipients and without adverse distinction of any kind. Aid priorities are calculated on the basis of need alone
- Aid will not be used to further a particular political or religious standpoint
- We shall endeavour not to act as instruments of government foreign policy
- We shall respect culture and custom
- We shall attempt to build disaster response on local capacities
- Ways shall be found to involve programme beneficiaries in the management of relief aid
- Relief aid must strive to reduce future vulnerabilities to disaster as well as meeting basic needs
- We hold ourselves accountable to both those we seek to assist and those from whom we accept resources

In our information, publicity and advertising activities, we shall recognize disaster victims as dignified human beings, not hopeless objects.

## CORE HUMANITARIAN STANDARD ON QUALITY AND ACCOUNTABILITY

We are committed to humanitarian action guided by four principles:

**Humanity:** Human suffering must be addressed wherever it is found. The purpose of humanitarian action is to protect life and health and ensure respect for human beings.

**Impartiality:** Humanitarian action must be carried out on the basis of need alone, giving priority to the most urgent cases of distress and making no adverse distinction on the basis of nationality, race, gender, religious belief, class, or political opinion.

**Independence:** Humanitarian action must be autonomous from political, economic, military or other objectives that any actor may hold with regard to areas where humanitarian action is being implemented.

**Neutrality:** Humanitarian actors must not take sides in hostilities or engage in controversies of a political, racial, religious or ideological nature.

Human Appeal works towards applying the CHS with its nine commitments:

- Communities and people affected by crisis receive assistance appropriate and relevant to their needs
- Communities and people affected by crisis have access to the humanitarian assistance they need at the right time
- Communities and people affected by crisis are not negatively affected and are more prepared, resilient and less at-risk as a result of humanitarian action
- Communities and people affected by crisis know their rights and entitlements, have access to information, and participate in decisions that affect them
- Communities and people affected by crisis have access to safe and responsive mechanisms to handle complaints
- Communities and people affected by crisis receive coordinated, complementary assistance
- Communities and people affected by crisis can expect delivery of improved assistance as organisations learn from experience and reflection
- Communities and people affected by crisis receive the assistance they require from competent and well-managed staff and volunteers
- Communities and people affected by crisis can expect that the organisations assisting them are managing resources effectively, efficiently and ethically

## KEEPING CHILDREN SAFE

Human Appeal is committed to Keeping Children Safe, and upholds their principles:

1. All children have equal rights to protection from harm
2. Everybody has a responsibility to support the protection of children
3. Organisations have a duty of care to children with whom they work, are in contact with, or who are affected by their work and operations
4. If organisations work with partners they have responsibility to help partners meet the minimum requirements on protection
5. All actions on child safeguarding are taken in the best interests of the child, which are paramount

We work to apply the core standards in Keeping Children Safe:

**Standard 1: Policy:** The organisation develops a policy that describes how it is committed to preventing, and responding appropriately to, harm to children.

**Standard 2: People:** The organisation places clear responsibilities and expectations on its staff and associates and supports them to understand and act in line with these.

**Standard 3: Procedures:** The organisation creates a child-safe environment through implementing child-safeguarding procedures that are applied across the organisation.

**Standard 4: Accountability:** The organisation monitors and reviews its safeguarding measures.

## PROTECTION FROM SEXUAL EXPLOITATION AND ABUSE

Human Appeal adheres to the following core principles of the UN Task Force on Preventing Sexual Exploitation and Abuse in Humanitarian Crises 2002. These apply to implementing projects for children, families and communities, and apply irrespective of whether there is an emergency situation or not.

- Sexual exploitation and abuse by humanitarian workers constitute acts of gross misconduct and are therefore grounds for the termination of employment

- Sexual activity with children is prohibited regardless of the age of majority or age of consent locally. Mistaken belief about the age of a child age is not a defence
- Exchange of money, employment, goods, or services for sex, including sexual favours or other forms of humiliating, degrading or exploitative behaviour are prohibited
- Sexual relationships between humanitarian workers and beneficiaries are strongly discouraged since they are based on inherently unequal power dynamics. Such relationships would undermine the credibility and integrity of humanitarian aid work
- Where a humanitarian worker develops concerns or suspicions regarding sexual abuse or exploitation by a fellow worker, whether in the same agency or not, he or she must report such concerns via established agency reporting mechanisms
- Humanitarian workers are obliged to create and maintain an environment which prevents sexual exploitation and abuse and promotes the implementation of their code of conduct. Managers at all levels have particular responsibilities to support and develop systems which maintain this environment

## POLICY OF EMPLOYMENT OF DISABLED PERSONS

Our policy for employment of disabled persons and its adherence to the Equality Act 2010, ensures that our strong commitment to developing the diversity of our staff and volunteers. We work to achieve this through equal opportunity policies, training and practical action. This includes encouraging applications from disabled people, developing their skills, and taking every reasonable measure to adapt our premises and working conditions to enable disabled people to work or volunteer with us.

We will continue to ensure that:

- We make reasonable adjustments wherever required
- Our policies and practices do not disadvantage people with disabilities
- We provide equal training and career development for all employees

## RELATED PARTIES AND COOPERATION WITH OTHER ORGANISATIONS

Human Appeal works with and through partner organisations to achieve common goals, specifically to:

- Develop immediate and long-term sustainable interventions
- Empower local communities through inclusive development to build local capacity

We do this by delivering projects in line with our core areas of work:

- Humanitarian response
- Sustainable development
- Orphans and child welfare
- Seasonal programmes

### GRANT-MAKING POLICIES

Our partner relations are informed by, and managed in accordance with, a set of clear procedures and principles. Before issuing a grant, Human Appeal completes appraisals of the project and proposed partner organisation. These ensure that Human Appeal undertakes complete due diligence and vetting of the partner organisation, that the organisation's key management and project objectives are consistent with Human Appeal's, and that the project is well-designed to deliver humanitarian aid in a manner that provides value-for-money and achieves the intended impact and outcome.

Grants are managed through specific agreements with partners that set out the conditions of the grant, including reporting requirements and disbursement schedules. Grants are usually disbursed in installments to ensure that agreed objectives, standards and timeframes are met.

Our staff monitors and evaluates progress throughout the period of the grant, according to the size of the grant and perceived level of risk. If Human Appeal is not satisfied with how the grant is being managed, according to the partner agreement, Human Appeal can discontinue the grant funding. All partners are subject to regular supervision and an annual appraisal.

## INVESTING IN STAFF

We support our employees and develop their skills. We encourage all colleagues to engage with the strategy and objectives, and to give their suggestions and views on plans and performance. We are committed to the Investors in People principles of good practice. We are an equal opportunities employer and are proud to recruit and promote our staff based on their aptitude and ability, without discrimination.

Employees benefit from policies focusing on training and career development as well as regular supervision and an annual appraisal. We believe effective internal communication is key to Human Appeal achieving its strategy and outcomes. This supports the smooth running of Human Appeal, successful change programmes and good leadership in our vision, strategy and objectives.

We undertake employee engagement through regular team workshops and staff briefings, which support better performance, employee retention and wellbeing. Employees are more engaged when information flows freely and when they are aware of organisational activities and management decisions that affect their jobs.

### LEARNING AND DEVELOPMENT

Last year, for the first time at Human Appeal, we had dedicated personnel within the People and Culture department focused on administering learning and development programmes at the organisation.

The Board of Directors and the People and Culture department determined a list of mandatory trainings based on organisational and external audit requirements and these items took priority in our training programme. Additionally, line managers were encouraged to suggest training and development opportunities that would encourage progression and retention of their teams, and to discuss these during performance management meetings such as the annual appraisal and six month review.

These recommendations fed into the 2018 Training Matrix as development training. The Training Matrix also included technical training on handling cash and conducting investigations, which were specific to the technical requirements of certain roles and departments at Human Appeal.

All training programmes in 2018 were thoroughly logged, with completed attendance sheets and feedback forms from attendees to contribute towards improvements and the future development of the training programme at Human Appeal.

# PRINCIPAL RISKS AND UNCERTAINTIES

## STRATEGIC RISK

The charity has identified the following strategic risks:

1. Charity Commission Statutory Inquiry. On the 18 April 2018 the Charity Commission opened a statutory inquiry into Human Appeal under section 46 of the Charities Act 2011. The Commission were responding to allegations of misconduct and/or mismanagement in the administration of the Charity. An Order under the provisions of section 84A of the Charities Act 2011 prohibited the trustees and staff of the Charity from: (a) Any activities that did not comply with the Charity's existing policies and procedures; and (b) Commencing any new programmatic activities in the UK or elsewhere. On the 29 November 2019 the Charities Commission revoked the second of these orders, noting improvement in the management of documentation relating to the Charity's projects. In the intervening period the charity missed-out on numerous opportunities and this, coupled with reputational damage sustained, resulted in a decline in donation levels during 2018 and 2019. In the latter stages of 2019 and the early weeks of 2020 it has been noted that income levels are rising once more. The achievement of the charity's long term ambitions are, however, dependent upon closure of the Statutory Inquiry and, at present, the timing of this is unknown.
2. Going Concern. Human Appeal is now well advanced along its path to recovery and financial resilience has been improved to support its charitable objectives. During this period the charity has introduced measures to improve all aspects of its operations including governance, financial management, human resources and compliance. The Trustees have reviewed the Charity's financial position, taking into account the level of reserves, the income and expenditure, the annual plan and its improved systems of financial and risk management. Early 2020 has seen the overall income position of the Charity continue to strengthen but the unrestricted fund position continues to be of concern to the Trustees. A detailed financial plan has been created for the year commencing in January 2020 with an emphasis on growing unrestricted income. Systems have been developed to enable the Charity to manage operational and financial risks successfully and to meet strategic and operational goals over the next 12 months and the medium term. The achievement of the charity's ambitions is dependent on the success of these plans.

3. Companies House Filing Deadline. The departure of senior executives at the end of 2017 and early 2018, the opening of the Charity Commission inquiry and the resignation of the auditors led to delays in the normal audit timetable. The loss of knowledge associated with the departure of finance and programmes personnel resulted in delays in providing relevant audit evidence to the new auditors. The charity trusts that donors will appreciate the transparency of the disclosures made in the 2018 Annual Report and will continue to respond favourably to the array of Human Appeal campaigns and projects in 2020 and beyond.

Human Appeal works to alleviate poverty, and transform and empower local communities whilst championing humanity, impartiality, neutrality and independence. We are risk-taking to prioritise saving the lives of people, working across unstable environments such as Iraq, Yemen, Somalia and Syria.

Our work in this area was brought to even sharper focus in December 2017 after a whistleblowing case that led Human Appeal to initiate a forensic investigation across the organisation and notify the Charity Commission. We acknowledge that during a period of fast growth of the organisation, we had not always done enough to ensure that the organisation's culture and behaviour was 'fit for purpose'.

Therefore, from 2017 to 2018, we undertook a comprehensive review of our approach to risk. Based on this review, we designed and implemented a new risk management approach which was developed with Moore Stephens audit firm.

Our investment in the risk management software Rhiza, has complemented our existing functions and enables accurate risk identification, recording and reporting, evaluation and planning. To ensure that our new risk management framework became embedded across the organisation, Rhiza risk champions across every function were established. This means that senior management and trustees have visibility of all risk management across the organisation.

Furthermore, our new assurance-based approach saw the introduction of our in-house Internal Audit function in 2017, and a dedicated Compliance function in 2018 to oversee the adherence to our compliance policies and procedures. The Board of Trustees receives the strategic risk register at each of the quarterly meetings, as well as discussing key operational risks in the course of regular review meetings.

# OUR RISK MANAGEMENT STRATEGY

The Board of Trustees have established an Audit Committee, which includes non-executive directors, that oversees risk, finance and audit from a strategic and governance perspective. The CEO and the executive directors regularly review key strategic and operational risks, and maintain a risk register to record both the risk and its associated action plans.

Risk Management is a Strategic Key Priority (SKP) of the organisation, and executive directors are held accountable for each risk, including the monitoring, managing and mitigating of risks. Senior staff members have been nominated as Risk Managers who identify and manage risks as an integral part of their daily work.

The Internal Audit function carries out audits across all operations and activities, which is approved by the Audit Committee.

## Management of Risk:

We have visible, clear and easily accessible whistleblowing procedures. Assigned staff will investigate any incidents of loss, theft, fraud or any other issue and report them to the Audit Committee. This helps to ensure that any breaches or weaknesses within our procedures are addressed immediately and improved.

## Fraud, Corruption and Bribery Prevention:

We recognise that we work in some of the most challenging environments across the world, where fraud, corruption and even bribery are key risks. In line with our organisational values, Human Appeal has zero tolerance to fraud, bribery and corruption, and will investigate thoroughly any incident with a view to minimising the risk affecting programmes and humanitarian delivery.

During the year, we delivered further training and briefing sessions to all staff as refreshers and reminders of our policies and procedures on anti-fraud, corruption and bribery.

## Humanitarian Delivery in Complex Environments:

Human Appeal also recognises the risks of delivering humanitarian aid in areas with an armed force present (government and other armed groups) across a wide socio-political spectrum. This raises the need for INGOs such as Human Appeal to ensure the safety of all our staff as well as the need to secure humanitarian corridors to deliver basic necessities for survival.

## Independent Audit Committee:

The Board of Trustees has in place an Independent Audit Committee that meets at least four times a year. It consists of a combination of non-executive external experts and trustees. The Audit Committee's Terms of Reference include a review of the Risk Management for Human Appeal.

## Internal Audit:

Prior to September 2017, Human Appeal utilised an outsourced service provider. Since then, Human Appeal has established its own in-house audit function which provides independent and objective assurance on the adequacy of the design and operational effectiveness around the risk and control governance process. The in-house audit function is also supported by external audit providers undertaking reviews and audits on behalf of Human Appeal, such as Crowe UK, Mersey Internal Audit Agency, and others. In the future, additional External Audit firms will be engaged to complement our Internal Audit function as deemed necessary.

This is in addition to the internal audits performed in-house by Human Appeal functions such as the People & Culture and Finance departments. Quality audits in accordance with ISO 9001 are also conducted by the Effectiveness, Accountability and Learning function of Human Appeal.

**Other major risks:**

The following major risks were identified at an organisational level in 2017 and 2018. For each risk, specific actions and performance indicators relating to them were monitored by the senior management and Board of Trustees.

RISK	MANAGEMENT ACTIONS
<p><b>Culture and Behaviour</b></p> <p>Inconsistent application of organisational policy, procedures and protocols. Challenges in maintaining effectiveness and efficiency across the organisation.</p>	<ul style="list-style-type: none"> <li>➤ A review of Human Appeal’s policy and procedures to ensure they are ‘fit for purpose’</li> <li>➤ Enhanced support to field offices in Iraq, Turkey, Somalia, Pakistan and Yemen</li> <li>➤ A programme of regular training for all staff by designated Training Co-ordinator</li> </ul>
<p><b>GDPR</b></p> <p>Failure to comply with new Regulation Data breach or security incident.</p>	<ul style="list-style-type: none"> <li>➤ A GDPR working group was established in 2017 to prepare for the GDPR changes. This working group continued to carry out GDPR changes in 2018</li> <li>➤ A Data Protection Officer &amp; Compliance Officer were recruited and a GDPR review was completed by the Internal audit function</li> <li>➤ Risk register now ensures regular reviews are completed in order to ensure the requirements of GDPR are continuously being implemented</li> </ul>
<p><b>Fraud, Corruption and Bribery</b></p> <p>Risk of fraud, corruption and bribery as Human Appeal works in conflict zones where proscribed groups operate and in countries which are subject to international sanction.</p>	<ul style="list-style-type: none"> <li>➤ Human Appeal’s suite of policies and procedures reviewed and updated</li> <li>➤ Increased focus on improving operational and regulatory compliance through Internal Audit and Compliance functions</li> <li>➤ Enhanced due diligence and operating procedures introduced to International offices</li> <li>➤ Continuous fraud risks awareness raising and training carried out for all staff by Compliance function</li> </ul>
<p><b>Non-compliance with Fundraiser Regulator Code</b></p> <p>This could compromise Human Appeal ability meet its objectives</p>	<ul style="list-style-type: none"> <li>➤ Continuous review of fundraising activities by management and Internal Audit function</li> <li>➤ Continuous Fundraising Regulator Code awareness raising and training carried out for relevant staff</li> <li>➤ Refresher training carried out before all large events</li> </ul>
<p><b>Adverse Media Coverage</b></p>	<ul style="list-style-type: none"> <li>➤ Human Appeal works with legal counsel and advisors to proactively manage brand and image impact that may result from adverse media coverage. Brand audits completed and Brand guidelines developed in 2018</li> </ul>

# FINANCE REVIEW

## INCOME

Human Appeals income in 2018 was £23 Million, a decrease of 48% on the previous year. The impact of the Charity Commission investigation led to a decline in many forms of donation across the organisation due to the resulting reputational damage. Understandably, any form of bad publicity can result in some donors questioning the reliability of a charity in which they have placed their trust in the past. Human Appeal experienced this effect during 2018 and also into 2019. We would however like to thank those supporters who remained loyal to Human Appeal and helped us to achieve total donations that most charities would represent an outstanding performance.

The background to our operations was a UK economy which continued to slow and growing uncertainty as to the UK’s political direction. The world economy stabilized in 2018 but geo-political events became increasingly unpredictable. This was never more true than in the areas in which Human Appeal traditionally operates.

Set against this background the financial results, in terms of income and charitable expenditure, are the very best that that the staff and management could have achieved. The charity’s ability to deliver key projects has been temporarily diminished but not halted.

Donations and legacies include all types of income that are made on a voluntary basis. This includes all individual giving, community fundraising, and some corporate income. In 2018 we raised £15 million, a decrease of £22 million from 2017 reflecting the difficult circumstances outlined above relating to income levels.

## EXPENDITURE

In 2018, we spent £25 million on charitable activities down from £31 million in 2017. Major areas of expenditure were Humanitarian Response, £7 million down from £11 million in 2017 and Education, £14 million up from £0.7 million in 2017. Combined these areas accounted for 85% of our charitable spending in 2018.

Our achievements with this expenditure are set out throughout this report.

Our expenditure on raising funds during 2018 fell to £4.8 million from £8.5 million in 2017 as we attempted to offset the negative impact of the factors outlined in paragraphs one and two above.

In 2018 we spent £0.1m on developing our fundraising partners’ capabilities across Europe who in turn raise funds enabling projects to be delivered by the Human Appeal family to change and save lives around the world. The reduction in spending from £0.7 million in 2017 reflects the increased self-sufficiency of our European partner operations.

As a result of the disruptions described the Charity does not presently have reliable financial records for the year ended 31 December 2018. The new Trustees and management are in the process of ensuring the financial information is verified and accurately reflects the financial position of the charity for the period ended 31 December 2018 but that process is not complete at the present time. The Charity has been required to submit financial statements to the Registrar of Companies by 31 January 2020 and these financial statements comprise the best information available to the charity at the present time.



## TRUSTEES ASSESSMENT OF GOING CONCERN

At the end of 2017, issues around Human Appeal's financial governance were reported through the Charity's whistleblowing policy and the Charity Commission launched a Statutory Enquiry on 18 April 2018. The charity has been through a period of transition and there have been a number of key personnel changes. A new Chief Executive Officer was recruited in April 2019 and necessary changes were made in the structure and operations of key areas including Finance, Programmes, Marketing and Fundraising. The charity suffered a dip in income in 2018 but growth has now been restored. As a result of this period of turbulence, the preparation of the financial statements including the future forecasts and projections which are necessary to support the going concern assumption has been challenging for the new management team. New Trustees have also been appointed and their role in reviewing the future forecasts and projections has been invaluable. The information to support the going concern assumption has been compiled, and reviewed by the Board. As we are now well past our filing deadline, the Trustees assessment of Going Concern has been based on the latest information available.

Human Appeal is now well advanced along its path to recovery and financial resilience has been improved to support its charitable objectives. During this period, the charity has introduced measures to improve all aspects of its operations including governance, financial management, human resources and compliance. The Trustees have reviewed the Charity's financial position, taking into account the level of reserves, the income and expenditure, the annual plan and its improved systems of financial and risk management. Early 2020 has seen the overall income position of the Charity continue to grow while working to boost the unrestricted fund position of the organisation. A detailed financial plan is being developed for the financial year commencing in January 2020. Systems have been developed to enable the Charity to manage operational and financial risks successfully and to allow us to meet our strategic and operational goals over the next 12 months and the medium term.

### The following assumptions are made in the financial projections.

- The charity will be able to raise the voluntary income from donors and supporters which it has projected. The success of recent events, most notably the December 2019 Comedy Tour, demonstrates there are an increasing number of donors and volunteers committed to supporting Human Appeal.

- On the 29 November 2019 the Charity Commission revoked an order made in April 2018, not to commence any new programmatic activities, noting improvement in the management of documentation relating to the Charity's projects. It is envisaged that this encouraging development will lead to the closure of the Statutory Enquiry. The removal of this constraint on the Charity's activities will enhance prospects of income growth from institutional funders during 2020.
- The organisation will continue to periodically review its cost base to ensure it is in line with income projections.

Despite the strong early signs of recovery lending credence to the financial and cash flow forecasts, the Trustees recognise that there is material uncertainty relating to the underlying assumptions, and in particular to those relating to income levels. Receipts from event-based fundraising are reasonably predictable but the timing and size of receipts from institutional funders is more difficult to forecast. As a result the Trustees consider this indicates the existence of a material uncertainty which may cast doubt as to the charity's ability to continue as a going concern. The Trustees and CEO are proactively addressing the level of unrestricted funds and will continue to have day to-day focus on income generation and cash flow forecasts will be reviewed on a monthly basis. As a result of these recent changes and the early signs of success the Trustees are of the view that it is appropriate to prepare the accounts on a going concern basis. The financial statements do not include the adjustments that would result if Human Appeal was unable to continue as a going concern.

## RESERVES

### GENERAL RESERVES (UNRESTRICTED)

Unrestricted reserves are generated when there is no donor stipulation on how funds are utilised and so the Trustees have more discretion in how these funds are spent to further Human Appeal's charitable objectives. The Trustees recognise the need to hold sufficient unrestricted reserves to allow protection of core activities in the event of any income shortfalls and to implement long-term strategic programmes and enable the Charity to carry out its essential projects. Consideration is also given to the fact that humanitarian disasters and crises are increasing around the world and there is a need to meet humanitarian objectives. The reserve policy ensures, as far as possible, the sustainability of charitable activities across various sectors.

### RESTRICTED FUNDS

These funds are tied to a particular purpose, as specified by the donor or as identified at the time of a public appeal. These are spent in accordance with their particular purposes

### RESERVES POLICY AND GOING CONCERN

Our reserves policy requires that reserves are maintained at a level that ensures our core programme work (including adequately responding to humanitarian disasters and emergencies) could continue during a period of lack of funds, while at the same time ensuring we do not retain income for longer than required, thereby balancing the needs of present and future beneficiaries.

As at 31 December 2018 the charity had total reserves of £3.1m (2017: £9.9m), restricted reserves of £2.7m (2017: £8.5m), and fixed asset reserves of £3.2m (2017: £3.0m) with general reserves of £6.3m (2017: £7.0m). Total unrestricted funds held by the Charity are £0.5m (2017: £1.4m) and it has £Nil free reserves (defined as general funds less net book value of fixed assets).

The Trustees are developing a strategy to build up unrestricted reserves to an acceptable level to beneficiaries and partners. At present, all funds held overseas are treated as restricted funds although they may not be so restricted by the donor or by the ask. This is because in practice, these funds will be used in the specific country. Going forward, trustees will define how, in a restricted funding environment, the organisation can create a reserve over time, sufficient to cover at least six month's operating costs and field offices running cost expenditure. We are looking at cost structures currently with a view to then confirming this figure.

The Trustees' Annual Report which includes the Strategic Report has been approved by the trustees and signed on their behalf by:



Dr Kamil Omoteso Chair of the Board of Trustees  
31 January 2020

# REFERENCE AND ADMINISTRATION

## Company and Charity Legal Name:

Human Appeal

## Charity Registration Number:

1154288 (England & Wales)  
SC046481 (Scotland)  
Company Registration Number: 08553893

## Principal and Registered Office:

Penine House  
Carrs Road  
Cheadle  
Cheshire  
SK8 2BL

## Directors and trustees:

Dr Kamil Omoteso (Chair of the Board)

Dr Hussain Nagi

Mr Mohammed Yousef

Mr Imad Zahida

Mr Omar Mashjari

Mr Kasim Randeree

Dr Ihab Saad

Dr Hossam Said

Change taking place after 31 December 2017 (as at 31 March 2019): appointments to the Board of Trustees took place on 13th December 2018 of Mr Omar Mashjari, Mr Kasim Randeree, Dr Ihab Saad and Dr Hossam Said.

## Executive directors:

Chief Executive Officer: Dr Mohamed Ashmawey

Chief Operating Officer: Elfatih Ibrahim

People and Culture Director: Karim Samir

Programmes Director: Arif Syed Muhammad

Fundraising Director: Zaheer Khan

Communications Director: Owais Khan

Emerging Markets Director: Hameed Al-Asaly

Change taking place after 31 December 2017 (as at 31 March 2019): Owais Khan became interim Communications Director replacing Zahid Rehman. Arif Sayed Muhammad became interim Programmes Director replacing Mohammed Alsousi. Zaheer Khan became Head of Community Fundraising replacing Razul Karim.

## Solicitor

Johns and Saggar  
16 High Holborn  
London  
WC1 6BX

## Bankers

National Westminster Bank Plc  
9/11 Precinct Centre  
Oxford Road  
Manchester  
M13 9NX

## Auditors

Crowe UK

# ACRONYMS

**CEO** – Chief Executive Officer

**CHS** – Core Humanitarian Standard on Quality and Accountability

**DFID** – Department For International Development

**FAO** – Food and Agriculture Organization of the United Nations

**GDPR** – General Data Protection Regulation

**GOAC** – Guernsey Overseas Aid Commission

**GAP** – Good Agricultural Practices

**GBV** – Gender-based violence

**HA** – Human Appeal

**IDB** – Islamic Development Bank

**NFI** – Non-food items

**NGO** – Non-governmental organization

**OCHA or UN OCHA** – United Nations Office for the Coordination of Humanitarian Affairs

**OSCR** – Office of the Scottish Charity Regulator

**ROTA** – Reach Out To Asia

**RRF** – Rapid Response Facility

**SDG** – Sustainable Development Goals

**SORP** – Statement of Recommended Practice

**SSN** – Street Support Network

**UN** – United Nations

**UNHCR** – United Nations High Commissioner for Refugees

**UNICEF** – United Nations Children's Fund

**WASH** – Water, sanitation and hygiene

**WFP** – World Food Programme

**WHO** – World Health Organization

# FOOTNOTES

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39. <https://www.ochaopt.org/content/study-warns-water-sanitation-crisis-gaza-may-cause-disease-outbreak-and-possible-epidemic>
40. <https://reliefweb.int/sites/reliefweb.int/files/resources/69947.pdf>
41. <https://www.wfp.org/countries/somalia>
42. [https://reliefweb.int/sites/reliefweb.int/files/resources/161124\\_som\\_hno\\_2017.pdf](https://reliefweb.int/sites/reliefweb.int/files/resources/161124_som_hno_2017.pdf)
43. <https://www.who.int/news-room/fact-sheets/detail/drinking-water>
44. [https://www.unicef.org/media/media\\_45279.html](https://www.unicef.org/media/media_45279.html)
45. [https://england.shelter.org.uk/media/press\\_releases/articles/320,000\\_people\\_in\\_britain\\_are\\_now\\_homeless,\\_as\\_numbers\\_keep\\_rising](https://england.shelter.org.uk/media/press_releases/articles/320,000_people_in_britain_are_now_homeless,_as_numbers_keep_rising)

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HUMAN APPEAL

## OPINION

We were engaged to audit the financial statements of Human Appeal for the year ended 31 December 2018 which comprise the Statement of Financial activities incorporating income and expenditure account, 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).

We do not express an opinion on the accompanying financial statements of the company. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

## BASIS FOR DISCLAIMER OF OPINION

At the end of 2017, issues around Human Appeal's financial governance were reported through the charity's whistleblowing policy and the Charity Commission launched a Statutory Enquiry on 18 April 2018. The charity has been through a period of transition and there have been a number of key personnel changes. A new Chief Executive Officer was recruited in April 2019 and necessary changes were made in the structure and operations of key areas including of Finance, Programmes, Marketing and Fundraising. The changes in the finance teams structure and operations caused considerable disruption to the financial record keeping of the charity during 2018 and 2019.

As a result of these disruptions the Charity does not presently have reliable financial records for the year ended 31 December 2018. The new Trustees and management are in the process of ensuring the financial information is verified and accurately reflects the financial position of the charity for the period ended 31 December 2018 but that process is not complete at the present time. The Charity has been required to submit financial statements to the Registrar of Companies by 31 January 2020 and these financial statements comprise the best information available to the charity at the present time. Due to the presently incomplete nature of the records we have been unable to perform sufficient audit procedures to form an opinion on these financial statements.

## OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have been unable to form an opinion, whether based on the work undertaken in the course of the audit:

- The information given in the Trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Notwithstanding our disclaimer of an opinion on the financial statements, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit performed subject to the pervasive limitation described above, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

Arising from the limitation of our work referred to above:

- We have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- We were unable to determine whether adequate accounting records have been kept.

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:

- 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 Trustee's remuneration specified by law are not made.

## RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustee's responsibilities statement, as set out on page 52, 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 responsibility is to conduct an audit of the company's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report.

However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the 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.

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



Kerry Brown (Senior statutory auditor)

for and on behalf of

Crowe U.K. LLP Statutory Auditor  
Black Country House  
Rounds Green Road  
Oldbury  
West Midlands  
B69 2DG

Date: 31/01/2020

## STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>Income from:</b>					
Donations and legacies	2	3,321,057	11,305,032	14,626,089	36,918,586
Charitable activities	3	-	8,377,887	8,377,887	7,221,594
Other trading activities	4	41,664	83,782	125,446	71,630
Investments	5	17,390	-	17,390	43,191
Other income	6	(500)	12,784	12,284	(54,259)
<b>Total income</b>		<b>3,379,611</b>	<b>19,779,485</b>	<b>23,159,096</b>	<b>44,200,742</b>
<b>Expenditure on:</b>					
Raising funds	7	709,538	4,090,897	4,800,435	8,463,929
Charitable activities	8	3,587,747	21,183,328	24,771,075	31,548,075
Charitable capacity building	9	-	121,231	121,231	707,466
<b>Total expenditure</b>		<b>4,297,285</b>	<b>25,395,456</b>	<b>29,692,741</b>	<b>40,719,470</b>
<b>Net income / (expenditure) before investment losses</b>		<b>(917,674)</b>	<b>(5,615,971)</b>	<b>(6,533,645)</b>	<b>3,481,272</b>
Net losses on translation		-	(195,809)	(195,809)	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>(917,674)</b>	<b>(5,811,780)</b>	<b>(6,729,454)</b>	<b>3,481,272</b>
<b>Net movement in funds</b>		<b>(917,674)</b>	<b>(5,811,780)</b>	<b>(6,729,454)</b>	<b>3,481,272</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		1,387,798	8,514,980	9,902,778	6,421,506
<b>Total funds carried forward</b>		<b>470,124</b>	<b>2,703,200</b>	<b>3,173,324</b>	<b>9,902,778</b>

The notes on pages 76 to 93 form part of these financial statements

## BALANCE SHEET AS AT 31 DECEMBER 2018

	Note	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Intangible assets	14		382,358		398,818
Tangible assets	15		2,592,727		2,394,223
Investments	16		200,000		200,000
			<u>3,175,085</u>		<u>2,993,041</u>
<b>Current assets</b>					
Stocks	17	-		10,960	
Debtors	18	4,603,420		1,930,612	
Cash at bank and in hand		6,305,647		6,961,986	
		<u>10,909,067</u>		<u>8,903,558</u>	
<b>Creditors: amounts falling due within one year</b>	19	<u>(10,910,828)</u>		<u>(1,993,821)</u>	
<b>Net current (liabilities)/assets</b>			<u>(1,761)</u>		<u>6,909,737</u>
<b>Net assets</b>			<u>3,173,324</u>		<u>9,902,778</u>
<b>Charity Funds</b>					
Restricted funds	21		2,703,200		8,514,980
Unrestricted funds	21		470,124		1,387,798
<b>Total funds</b>			<u>3,173,324</u>		<u>9,902,778</u>

The financial statements were approved and authorised for issue by the Trustee on 31 January 2019 and signed on their behalf, by:



Dr Kamil Omoteso Chair of the Board of Trustees

The notes on pages 76 to 93 form part of these financial statements.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	23	<u>(32,818)</u>	<u>3,593,731</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		5,390	43,191
Proceeds from the sale of tangible fixed assets		11,781	-
Purchase of tangible fixed assets		(640,692)	(540,546)
Proceeds from sale of investment properties		-	98,903
<b>Net cash used in investing activities</b>		<u>(623,521)</u>	<u>(398,452)</u>
<b>Change in cash and cash equivalents in the year</b>		<u>(656,339)</u>	<u>3,195,279</u>
Cash and cash equivalents brought forward		6,961,986	3,766,707
<b>Cash and cash equivalents carried forward</b>		<u>6,305,647</u>	<u>6,961,986</u>

The notes on pages 76 to 93 form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

## 1. ACCOUNTING POLICIES

### 1.1 Charity information

Human Appeal is a company registered and incorporated in England and Wales, limited by guarantee, without share capital. The company registration number is 08553893. Human Appeal is registered with the Charity Commission under registration number 1154288 as well as with The Office of the Scottish Charity Regulator.

Its registered office and principal place of business is Pennine House, Carrs Road, Cheadle, SK8 2BL.

Human Appeal is an international humanitarian and development organisation working across 25 countries in Asia, Africa, Europe, the Middle East and Europe.

### 1.2 Basis of preparation of financial statements

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 Republic of Ireland (FRS 102) and the Companies Act 2006.

Human Appeal 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.

As set out in the Trustees' Report, the company has been required by Companies House to file accounts by 31 January 2020. The Trustees are still in the process of properly agreeing the financial position as at 31 December 2018. This process is not at present complete. The financial statements presented comprise the best information available within the required timetable for filing the accounts.

A detailed analysis of income from charitable activities by funder and grants made to institutions is not provided as the information has not yet been fully analysed.

There is a forward currency contract in place and any gains or losses at 31 December 2018 have not been reflected.

### 1.3 Reconciliation with previous Generally Accepted Accounting Practice

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required.

### 1.4 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 66. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

## 1. ACCOUNTING POLICIES (CONTINUED)

### 1.5 Going concern

At the end of 2017, issues around Human Appeal's financial governance were reported through the charity's whistleblowing policy and the Charity Commission launched a Statutory Enquiry on 18 April 2018. The charity has been through a period of transition and there have been a number of key personnel changes. A new Chief Executive Officer was recruited in April 2019 and necessary changes were made in the structure and operations of key areas including of Finance, Programmes, Marketing and Fundraising. As a result of this period of turbulence the preparation of the financial statements including the future forecasts and projections which are necessary to support the going concern assumption has been challenging for the new management team. New Trustees have also been appointed and their role in reviewing the future forecasts and projections has been invaluable. The information to support the going concern assumption has been compiled and reviewed by the Board. As we are now well past our filing deadline the Trustees assessment of Going Concern has been based on the latest information available.

Human Appeal is now well advanced along its path to recovery and financial resilience has been improved to support its charitable objectives. During this period the charity has introduced measures to improve all aspects of its operations including governance, financial management, human resources and compliance. The Trustees have reviewed the Charity's financial position, taking into account the level of reserves, the income and expenditure, the annual plan and its improved systems of financial and risk management. Early 2020 has seen the overall income position of the Charity continue to grow while working to boost the unrestricted fund position of the organisation. A detailed financial plan is being developed for the financial year commencing in January 2020. Systems have been developed to enable the Charity to manage operational and financial risks successfully and to allow us to meet our strategic and operational goals over the next 12 months and the medium term.

The following assumptions are made in the financial projections.

- The charity will be able to raise the voluntary income from donors and supporters which it has projected. The success of recent events, most notably the December 2019 Comedy Tour, demonstrates there are an increasing number of donors and volunteers committed to supporting Human Appeal.
- On the 29 November the Charity Commission revoked an order made in April 2018, not to commence any new programmatic activities, noting improvement in the management of documentation relating to the Charity's projects. It is envisaged that this encouraging development will lead to the closure of the Statutory Enquiry. The removal of this constraint on the Charity's activities will enhance prospects of income growth from institutional funders during 2020.
- The organisation will continue to periodically review its cost base to ensure it is in line with income projections.

Despite the strong early signs of recovery lending credence to the financial and cash flow forecasts, the Trustees recognise that there is material uncertainty relating to the underlying assumptions, and in particular to those relating to income levels. Receipts from event-based fundraising are reasonably predictable but the timing and size of receipts from institutional funders is more difficult to forecast.

## 1. ACCOUNTING POLICIES (CONTINUED)

### 1. Accounting Policies (continued)

As a result the Trustees consider this indicates the existence of a material uncertainty which may cast doubt on the charity's ability to continue as a going concern. The Trustees and CEO are proactively addressing the level of unrestricted funds and will continue to have day to-day focus on income generation and cash flow forecasts will be reviewed on a monthly basis. As a result of these recent changes and the early signs of success the Trustees are of the view that it is appropriate to prepare the accounts on a going concern basis. The financial statements do not include the adjustments that would result if Human Appeal was unable to continue as a going concern.

#### 1.6 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the company where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

## 1. ACCOUNTING POLICIES (CONTINUED)

### 1.7 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT

#### 1.8 Intangible fixed assets and amortisation

Intangible assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

#### 1.9 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.



## 1. ACCOUNTING POLICIES (CONTINUED)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	Over 50 years
Plant and machinery	-	Over 15 years
Motor vehicles	-	Over 5 years
Fixtures and fittings	-	Over 4 years
Computer equipment	-	Over 5 years
Software	-	Over 10 years

### 1.10 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities incorporating income and expenditure account.

### 1.11 Investment properties

Investment properties are included in the Balance sheet at their open market value and are not depreciated.

### 1.12 Interest receivable

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

### 1.13 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

### 1.14 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

### 1.15 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

## 1. ACCOUNTING POLICIES (CONTINUED)

### 1.16 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### 1.17 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

### 1.18 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

### 1.19 Taxation

As a registered charity, the company is exempt from income and corporation tax to the extent that its income and gains are applicable to charitable purposes only. Value added tax (VAT) is not recoverable by the company, and is therefore included in the relevant costs in the statement of financial activities.

### 1.20 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of financial activities incorporating income and expenditure account.

### 1.21 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. Human Appeal operates a group personal pension scheme, which effectively means that all employees who join the scheme have their own pension plan, which is a defined contribution scheme. The assets of the pension scheme are held separately from those of the charity in an independently administered fund.

## 1. ACCOUNTING POLICIES (CONTINUED)

### 1.22 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

### 1.23 Gifts in Kind

Gifts in kind for use by the charity are included in the accounts at their approximate market value at the date of receipt. Gifts in kind for distribution are included in the accounts at their approximate market value at the date of distribution.

## 2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	1,642,436	7,462,018	9,104,454	13,489,586
Gift aid tax reclaimed	1,467,393	-	1,467,393	1,896,013
Donated goods and services	-	334,083	334,083	17,133,089
Donations from fundraising events	211,228	3,508,931	3,720,159	3,371,385
Donation of assets of Human Appeal Pakistan	-	-	-	1,028,513
<b>Total donations and legacies</b>	<b>3,321,057</b>	<b>11,305,032</b>	<b>14,626,089</b>	<b>36,918,586</b>
<b>Total 2017</b>	<b>3,995,594</b>	<b>32,922,992</b>	<b>36,918,586</b>	

## 3. INCOME FROM CHARITABLE ACTIVITIES

	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Charitable activities	8,377,887	8,377,887	7,221,594
<b>Total 2017</b>	<b>7,221,594</b>	<b>7,221,594</b>	

## 4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Sale of goods	-	-	-	8,176
Ticket sales	41,664	-	41,664	27,267
Other	-	83,782	83,782	36,187
	<b>41,664</b>	<b>83,782</b>	<b>125,446</b>	<b>71,630</b>
<b>Total 2017</b>	<b>35,443</b>	<b>36,187</b>	<b>71,630</b>	

## 5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Property Rental Income	12,000	-	12,000	12,000
Bank Interest receivable	5,390	-	5,390	31,191
	<b>17,390</b>	<b>-</b>	<b>17,390</b>	<b>43,191</b>
<b>Total 2017</b>	<b>43,191</b>	<b>-</b>	<b>43,191</b>	

## 6. OTHER INCOMING RESOURCES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Exchange rate gains/losses	-	12,784	12,784	(68,047)
Gain/loss on disposal of asset	(500)	-	(500)	13,788
	<u>(500)</u>	<u>12,784</u>	<u>12,284</u>	<u>(54,259)</u>
<i>Total 2017</i>	<u>12,136</u>	<u>(66,395)</u>	<u>(54,259)</u>	

## 7. COSTS OF RAISING FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Fundraising costs	257,731	1,486,189	1,743,920	3,584,654
Publicity costs	147,979	853,314	1,001,293	2,090,077
Event costs	102,068	588,568	690,636	1,053,602
Fundraising staff costs	201,760	1,162,826	1,364,586	1,735,596
	<u>709,538</u>	<u>4,090,897</u>	<u>4,800,435</u>	<u>8,463,929</u>
<i>Total 2017</i>	<u>1,056,096</u>	<u>7,407,833</u>	<u>8,463,929</u>	

## 8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Education	71,759	13,913,675	13,985,434	771,670
Humanitarian response	1,291,592	5,696,734	6,988,326	11,321,668
Food security	1,758,000	779,605	2,537,605	15,468,779
Sustainable livelihoods	35,877	-	35,877	179,376
Healthcare	107,632	20,416	128,048	837,663
Orphans and child welfare	107,623	74,326	181,949	917,818
Water, sanitation and hygiene	107,632	79,918	187,550	1,041,894
General country restricted income	107,632	618,654	726,286	1,009,207
	<u>3,587,747</u>	<u>21,183,328</u>	<u>24,771,075</u>	<u>31,548,075</u>
<i>Total 2017</i>	<u>3,311,927</u>	<u>28,236,148</u>	<u>31,548,075</u>	

## 9. CHARITABLE CAPACITY BUILDING

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Ireland	-	22,211	22,211	-
France	-	182	182	365,166
Spain	-	90,139	90,139	342,300
Holland	-	8,699	8,699	-
	<u>-</u>	<u>121,231</u>	<u>121,231</u>	<u>707,466</u>
<i>Total 2017</i>	<u>48,709</u>	<u>658,757</u>	<u>707,466</u>	

## 10. ANALYSIS OF SUPPORT COSTS

	2018 £	2017 £
Costs of raising funds	-	582,745
Charitable activities	2,553,248	2,014,848
Other expenditure - capacity building	-	48,709
	<u>2,553,248</u>	<u>2,646,302</u>

## 10. ANALYSIS OF SUPPORT COSTS (CONTINUED)

### Support costs by type

	2018 £	2017 £
Staff costs	1,058,295	1,506,111
Depreciation	-	107,367
Other	1,494,953	1,032,824
	<u>2,553,248</u>	<u>2,646,302</u>

### Governance costs

Included within support costs are governance costs as follows:

	2018 £	2017 £
Governance function	-	-
Auditors' remuneration	-	33,600
Other non audit services	-	25,043
Legal and professional other fees	376,750	225,822
	<u>376,750</u>	<u>284,465</u>

## 11. NET INCOME (EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the charity	385,016	148,428
Amortisation of intangible fixed assets	43,341	18,036
Operating lease rentals	121,000	131,211
	<u>549,357</u>	<u>297,675</u>

During the year, no Trustees received any remuneration (2017 - £NIL).

During the year, no Trustees received any benefits in kind (2017 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2017 - £NIL).

## 12. AUDITORS' REMUNERATION

	2018 £	2017 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	-	62,000
Fees payable to the company's auditor and its associates in respect of: All assurance services not included above	<u>127,250</u>	<u>17,809</u>

## 13. STAFF COSTS

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	7,426,407	5,012,804
Social security costs	237,340	169,325
Other pension costs	60,705	46,227
	<u>7,724,452</u>	<u>5,228,356</u>

1 (2017 - 1) termination payment of £9,167 was made during the year (2017 - £29,000).

The average number of persons employed by the company during the year was as follows:

	2018 No.	2017 No.
	370	401

The number of higher paid employees was:

	2018 No.	2017 No.
In the band £60,001 - £70,000	1	0
In the band £70,001 - £80,000	1	1

The key management personnel of the charity, comprising of the leadership team and the executive directors team. The total employee benefits of the key management personnel was £417,066 (2017 - £429,939).

## 14. INTANGIBLE FIXED ASSETS

	Software £
<b>Cost</b>	
At 1 January 2018	421,076
Additions	26,899
Foreign exchange movement	(168)
At 31 December 2018	<u>447,807</u>
<b>Amortisation</b>	
At 1 January 2018	22,258
Charge for the year	43,341
Foreign exchange movement	(150)
At 31 December 2018	<u>65,449</u>
<b>Carrying amount</b>	
At 31 December 2018	<u>382,358</u>
At 31 December 2017	<u>398,818</u>

## 15. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2018	2,306,569	355,158	71,111	2,732,838
Additions	34,411	486,391	92,991	613,793
Disposals	-	-	(35,354)	(35,354)
Foreign exchange movement	(17,156)	3,429	(2,766)	(16,493)
At 31 December 2018	<u>2,323,824</u>	<u>844,978</u>	<u>125,982</u>	<u>3,294,784</u>
<b>Depreciation</b>				
At 1 January 2018	165,837	158,423	14,355	338,615
Charge for the year	53,826	253,788	77,402	385,016
On disposals	-	-	(23,073)	(23,073)
Foreign exchange movement	-	2,251	(752)	1,499
At 31 December 2018	<u>219,663</u>	<u>414,462</u>	<u>67,932</u>	<u>702,057</u>
<b>Net book value</b>				
At 31 December 2018	<u>2,104,161</u>	<u>430,516</u>	<u>58,050</u>	<u>2,592,727</u>
At 31 December 2017	<u>2,140,732</u>	<u>196,735</u>	<u>56,756</u>	<u>2,394,223</u>

## 16. FIXED ASSET INVESTMENTS

	2018 £	2017 £
<b>Market value</b>		
At 1 January 2018 and 31 December 2018	<u>200,000</u>	<u>200,000</u>
<b>Investments at market value comprise:</b>		
Investment properties	<u>200,000</u>	<u>200,000</u>

All the fixed asset investments are held in the UK

## 17. STOCKS

	2018 £	2017 £
Stock in shops	<u>-</u>	<u>10,960</u>

## 18. DEBTORS

	2018 £	2017 £
Other debtors	4,588,152	1,893,669
Prepayments and accrued income	15,268	36,943
	<u>4,603,420</u>	<u>1,930,612</u>

## 19. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	1,405,293	1,241,972
Other taxation and social security	108,355	74,589
Other creditors	605,937	151,418
Accruals and deferred income	8,791,243	525,842
	<u>10,910,828</u>	<u>1,993,821</u>

## 20. FINANCIAL INSTRUMENTS

	2018 £	2017 £
Financial assets measured at amortised cost	<u>10,893,799</u>	<u>8,680,077</u>
Financial liabilities measured at amortised cost	<u>5,798,208</u>	<u>1,919,723</u>

Financial assets measured at amortised cost comprise cash at bank, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise bank overdrafts, trade creditors, accruals and other creditors.

### Statement of funds - current year

	Balance at 1 January 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2018 £
<b>Unrestricted funds</b>						
General Funds	<u>1,387,798</u>	<u>3,379,611</u>	<u>(4,297,285)</u>	-	-	<u>470,124</u>
<b>Restricted funds</b>						
Education	173,010	457,354	(661,592)	187,533	-	156,305
Humanitarian Response	3,227,387	7,801,367	(7,568,439)	(875,981)	-	2,584,334
Food Security	457,728	4,467,801	(6,044,208)	66,984	-	(1,051,695)
Healthcare	367,852	1,271,086	(1,488,937)	396,656	-	546,657
Orphans and Child Welfare	2,085,455	3,192,365	(4,520,216)	11,833	-	769,437
Water Sanitation and Hygiene	1,409,488	1,429,518	(1,513,218)	13,824	-	1,339,612
Other	794,060	1,159,994	(3,598,846)	199,151	(195,809)	(1,641,450)
	<u>8,514,980</u>	<u>19,779,485</u>	<u>(25,395,456)</u>	-	<u>(195,809)</u>	<u>2,703,200</u>
Total of funds	<u>9,902,778</u>	<u>23,159,096</u>	<u>(29,692,741)</u>	-	<u>(195,809)</u>	<u>3,173,324</u>

Transfers between restricted funds represent where funds are transferred between thematic areas where projects have overlaps. Note that in war zones, funds may be transferred between thematic areas based on need.

## 21. STATEMENT OF FUNDS (CONTINUED)

### Statement of funds - prior year

	Balance at 1 January 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2017 £
<b>General funds</b>					
General Funds	<u>2,057,216</u>	<u>4,086,364</u>	<u>(4,416,732)</u>	<u>(339,050)</u>	<u>1,387,798</u>
<b>Restricted funds</b>					
Education	-	722,986	(791,003)	241,027	173,010
Humanitarian Response	2,521,426	13,757,299	(12,753,551)	(297,787)	3,227,387
Food Security	-	16,085,004	(16,320,555)	693,279	457,728
Healthcare	94,674	1,399,680	(1,058,155)	(68,347)	367,852
Orphans and Child Welfare	432,959	4,325,500	(2,642,216)	(30,788)	2,085,455
Water Sanitation and Hygiene	1,315,231	2,210,664	(1,950,300)	(166,107)	1,409,488
Other	-	1,613,245	(786,958)	(32,227)	794,060
	<u>4,364,290</u>	<u>40,114,378</u>	<u>(36,302,738)</u>	<u>339,050</u>	<u>8,514,980</u>
Total of funds	<u>6,421,506</u>	<u>44,200,742</u>	<u>(40,719,470)</u>	-	<u>9,902,778</u>

## 22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

### Analysis of net assets between funds - current year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Intangible fixed assets	382,358	-	382,358
Tangible fixed assets	2,592,727	-	2,592,727
Fixed asset investments	200,000	-	200,000
Current assets	(1,416,447)	12,325,514	10,909,067
Creditors due within one year	(1,288,514)	(9,622,314)	(10,910,828)
	<u>470,124</u>	<u>2,703,200</u>	<u>3,173,324</u>

The negative current asset balance included in unrestricted funds is representative of the free reserves deficit.

## 22. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

### Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2017 £</i>	<i>Restricted funds 2017 £</i>	<i>Total funds 2017 £</i>
Intangible fixed assets	398,818	-	398,818
Tangible fixed assets	2,394,223	-	2,394,223
Fixed asset investments	200,000	-	200,000
Current assets	(1,377,589)	10,281,147	8,903,558
Creditors due within one year	(227,654)	(1,766,167)	(1,993,821)
	<u>1,387,798</u>	<u>8,514,980</u>	<u>9,902,778</u>

The negative current asset balance included in unrestricted funds is representative of the free reserves deficit.

## 23. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	<b>2018 £</b>	<b>2017 £</b>
Net (expenditure)/income for the year (as per Statement of Financial Activities)	<b>(6,729,454)</b>	3,481,272
<b>Adjustment for:</b>		
Depreciation charges	428,357	166,464
Foreign exchange movements	18,010	-
Dividends, interest and rents from investments	(5,390)	(43,191)
Loss on the sale of fixed assets	500	-
Decrease/(increase) in stocks	10,960	(9,529)
(Increase)/decrease in debtors	(2,672,808)	2,481,943
Increase/(decrease) in creditors	8,917,007	(2,459,325)
Profit on the sale of investment properties	-	(23,903)
<b>Net cash (used in)/provided by operating activities</b>	<b><u>(32,818)</u></b>	<b><u>3,593,731</u></b>

## 24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	<b>2018 £</b>	<b>2017 £</b>
Cash in hand	<b>6,305,647</b>	6,961,986
<b>Total</b>	<b><u>6,305,647</u></b>	<b><u>6,961,986</u></b>

## 25. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £60,705 (2017 - £46,227). Contributions totalling £8,751 (2017 - £9,567) were payable to the fund at the balance sheet date and are included in creditors.

## 26. OPERATING LEASE COMMITMENTS

At 31 December 2018 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	<b>2018 £</b>	<b>2017 £</b>
<b>Amounts payable:</b>		
Within 1 year	<b>106,000</b>	121,000
Between 1 and 5 years	<b>230,500</b>	312,500
After more than 5 years	<b>16,000</b>	40,000
<b>Total</b>	<b><u>352,500</u></b>	<b><u>473,500</u></b>

## 27. RELATED PARTY TRANSACTIONS

A project was setup between Human Appeal and Approachable Parenting Community Interest to assist three trainers who could coach parenting skills to new parents.

Payments amounting to £Nil (2017 - £2,552) have been paid to Approachable Parenting Community Interest. Approachable Coaching Limited is a company of which trustee, Dr Hussein Nagi, is a director. Approachable Parenting Community Interest Company is a company of which Dr Hussein Nagi's spouse is a director. No amounts were outstanding at the year end.

Donations from Trustees totalling £Nil (2017 - £760) were received during the reporting period.

There were no other transactions with related parties.



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