

HUMANA

(A Company Limited by Guarantee and not
having a Share Capital)

ACCOUNTS

FOR THE YEAR ENDED

31ST DECEMBER 1995



HUMANA

DIRECTORS' REPORT

The Directors present their report and the audited Accounts for the year ended 31st December 1995.

Charitable Status

The Company is registered as charity number 297489.

Principal Activities and Review

The results for the year are set out on page 4. The Company's principal activity during the year was the sale of donated clothes and goods through their retail outlets, and to clothes merchants. The net proceeds derived from these activities are donated for the advancement of education and the relief of poverty and natural and manmade disasters.

Donations passed to the Federation for projects connected to the international people to people movement during 1995 were utilised as follows:

£	
56,669	Education of Managers at Frontline Institute, Zimbabwe
18,384	DAPP Childrens Town, Huambo, Angola
46,498	DAPP Child Aid, Zambia
24,727	DAPP Child Aid, Kukwanisa, Zimbabwe
26,742	DAPP Child Aid, Rushinga, Zimbabwe
8,126	DAPP Child Aid, Malawi
39,862	DAPP Treeplanting and Environment, Monze, Zambia
8,126	DAPP Fundraising, Blantyre, Malawi
<u>66,114</u>	Emergency Projects, Southern Africa
<u><u>295,248</u></u>	Donations total in 1995

At the end of the year Humana held 42,290 items of stock ready for sale. The Directors consider that this stock has an equivalent cost value of £65,550. This amount is not reflected in the Accounts at the year end.

HUMANA is a member of the association 'The Federation for projects connected to the international people to people movement' (The Federation).

The Federation for projects connected to the international people for people movement was established on 1st January 1994.

Members of this Federation are UFF and HUMANA projects in Europe and DAPP, ADPP and HUMANA projects in Africa and Asia. The object of The Federation for projects connected to the international people to people movement is to provide services for all projects connected to the international people to people movement: to support their efforts to fulfil their objects within development aid, child welfare aid, relief work and information thereon, and to support them in the execution of their operational functions in the widest sense.

The Federation has members in Denmark, Sweden, Norway, Finland, Germany, Austria, England, Holland, Belgium, France, Spain, Angola, Guinea-Bissau, Mozambique, Namibia, Zimbabwe, Zambia, Malaysia, and Malawi.

The Federation also offers support to its members for their operational functions.

HUMANA

DIRECTORS' REPORT
(Continued)**Directors**

The Directors who served during the period were:

Lena Eriksson

Mikala Gottlob

Jytte Nielsen

Directors' Responsibilities

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the surplus or deficit of the Company for that period. In preparing those financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Gane Jackson Scott merged their London Practice with Kingston Smith with effect from 1st July 1996 and now practise in the name of Kingston Smith. Accordingly the Auditors' Report is signed in that name.

Kingston Smith have expressed their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

In preparing the above report, the directors have taken advantage of special exemptions applicable to small companies provided by part II of schedule 8 to the Companies Act 1985.

BY ORDER OF THE BOARD



Mikala Gottlob
Secretary

**AUDITORS' REPORT TO THE MEMBERS
OF HUMANA LIMITED**

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion based on our audit on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31st December 1995 and of its surplus for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

In our opinion the Company is entitled to the exemption conferred by section 248 of the Companies Act 1985 from the requirement to prepare group accounts for the year ended 31st December 1995.



KINGSTON SMITH
Chartered Accountants
and Registered Auditors

Devonshire House,
60, Goswell Road,
London, EC1M 7AD

Date:

2 May 1997

HUMANA
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1995

	Notes	1995 £	1994 £
INCOME			
Sale of donated goods		1,457,386	1,411,928
Street collection		4,869	62,199
Miscellaneous income		6,993	4,294
Interest receivable		112	112
		<u>1,469,360</u>	<u>1,478,533</u>
INDIRECT EXPENDITURE			
Distribution costs		(104,822)	(109,912)
Shop costs		(242,715)	(215,201)
Administrative expenses		(402,554)	(432,198)
Collecting and sorting costs		(407,376)	(176,396)
Interest payable and similar charges		(1,955)	(3,880)
INCOME LESS INDIRECT EXPENDITURE	3	<u>309,938</u>	<u>540,946</u>
DIRECT CHARITABLE EXPENDITURE			
Donations made		<u>(295,248)</u>	<u>(462,228)</u>
INCOME LESS EXPENDITURE		<u><u>14,690</u></u>	<u><u>78,718</u></u>

CONTINUING OPERATIONS

None of the Company's activities were acquired or discontinued during the above two financial years.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	1995 £	1994 £
Income less expenditure for the year	14,690	78,718
Unrealised surplus on revaluation of fixed assets	-	62,900
Total recognised gains and losses related to the year	<u><u>14,690</u></u>	<u><u>141,618</u></u>

The attached notes form part of these Accounts

HUMANA

BALANCE SHEET AT 31ST DECEMBER 1995

	Notes	1995		1994	
		£	£	£	£
FIXED ASSETS	4		72,679		79,539
CURRENT ASSETS					
Debtors	5	34,245		23,023	
Cash at bank and in hand		<u>19,423</u>		<u>25,832</u>	
		53,668		48,855	
CREDITORS: Amounts falling due within one year	6	<u>(70,473)</u>		<u>(99,018)</u>	
NET CURRENT LIABILITIES			<u>(16,805)</u>		<u>(50,163)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			55,874		29,376
CREDITORS: Amounts falling due after more than one year	7		<u>(11,808)</u>		<u>-</u>
			<u>44,066</u>		<u>29,376</u>
ACCUMULATED FUNDS (DEFICIT)			2,133		(33,524)
REVALUATION RESERVE	2f)		<u>41,933</u>		<u>62,900</u>
	10		<u>44,066</u>		<u>29,376</u>

The directors have taken advantage of special exemptions conferred by part I of schedule 8 to the Companies Act 1985 applicable to small companies in the preparation of the accounts, and have done so on the grounds that in their opinion, the company qualifies as a small company.

THE ACCOUNTS WERE APPROVED BY THE BOARD OF DIRECTORS ON 1 MAY 1997

AND SIGNED ON ITS BEHALF BY:



MIKALA GOTTLOB - DIRECTOR

The attached notes form part of these Accounts

HUMANA

NOTES TO THE ACCOUNTS

31ST DECEMBER 1995

1. BASIS OF ACCOUNTING

The Financial Statements have been prepared under the historical cost convention and under the going concern concept which is considered by the Directors to be appropriate.

2. ACCOUNTING POLICIES

a) Accounting convention

The accounts have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets.

b) Consolidation

The Company and its subsidiary comprise a small group. The Company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

c) Depreciation

Depreciation of fixed assets is provided at rates calculated to write the assets off over their expected useful lives. The following rates were applied during the period.

Leasehold Premises	-	Over 4 years
Furniture and Equipment	-	25% on written down value
Motor Vehicles	-	25% on written down value
(owned and held under hire purchase contracts)		
Motor Vehicles	-	Over lease term
(held under finance leases)		
Containers	-	33⅓% on written down value

d) Leases and Hire Purchase Agreements

Assets owned by the Company which have been funded through hire purchase agreements and finance leases are capitalised and the resulting obligations are included in creditors. Rentals payable under operating leases are charged to the Income and Expenditure Account as incurred over the lease term.

e) Donated Clothes and Goods

The value of donated clothes and goods is recognised as income in the Accounts at the date of sale.

f) Revaluation of containers

Containers were previously held under operating leases, the lease rentals being charged to profit and loss. These leases have now expired and the title to containers has been transferred to Humana. A value of £69,000 was placed on the containers in 1994, being an estimate of their purchase price less appropriate depreciation over the three years since new.

3. INCOME LESS INDIRECT EXPENDITURE

This is stated after charging:

	1995	1994
	£	£
Depreciation - owned assets	27,637	2,644
- leased assets	5,114	2,900
Auditors' remuneration	10,000	10,250
Aggregate finance lease charges	<u>1,796</u>	<u>2,950</u>

HUMANA
NOTES TO THE ACCOUNTS
31ST DECEMBER 1995
(Continued)

4. FIXED ASSETS

	Containers	Furniture and Equipment	Motor Vehicles	Total
	£	£	£	£
Cost				
At 1st January 1995	62,900	21,728	48,415	133,043
Additions	14,134	-	11,757	25,891
Disposals	-	-	-	-
At 31st December 1995	<u>77,034</u>	<u>21,728</u>	<u>60,172</u>	<u>158,934</u>
Depreciation				
At 1st January 1995	-	17,789	35,715	53,504
Disposals	-	-	-	-
Charge for the year	<u>25,652</u>	<u>985</u>	<u>6,114</u>	<u>32,751</u>
At 31st December 1995	<u>25,652</u>	<u>18,774</u>	<u>41,829</u>	<u>86,255</u>
Net Book Value				
31st December 1995	<u>51,382</u>	<u>2,954</u>	<u>18,343</u>	<u>72,679</u>
31st December 1994	<u>62,900</u>	<u>3,939</u>	<u>12,700</u>	<u>79,539</u>

The net book value of fixed assets includes an amount of £15,344 (1994: £12,700) in respect of assets held under finance leases.

5. DEBTORS

	1995	1994
	£	£
Other debtors	<u>34,245</u>	<u>23,023</u>

6. CREDITORS: Amounts falling due within one year

	1995	1994
	£	£
Loans	20,957	8,563
Obligations under finance leases	2,769	7,462
Tax and Social Security	5,579	18,135
Other creditors	-	5,033
Accruals	<u>41,168</u>	<u>59,825</u>
	<u>70,473</u>	<u>99,018</u>

HUMANA

NOTES TO THE ACCOUNTS

31ST DECEMBER 1995

(Continued)

7. CREDITORS: Amounts falling due after more than one year	1995	1994
	£	£
Loans	8,732	-
Obligations under finance leases	3,076	-
	<u>11,808</u>	<u>-</u>

8. SUBSIDIARY COMPANY

Humana owns the entire share capital of Resources Recycling Limited which company was established to carry out the trading activities of the charity. The Balance Sheet of Resources Recycling is summarised below:

	1995	1994
	£	£
Current Assets	31	31
Creditors - Amount falling due within one year		
Amount due to holding company	(8,665)	(8,665)
	<u>(8,634)</u>	<u>(8,634)</u>
Represented by:		
Share Capital	2	2
Reserves	(8,636)	(8,636)
	<u>(8,634)</u>	<u>(8,634)</u>

In the Company's Accounts a provision of £8,665 has been made against the amount due from Resources Recycling Limited.

9. TRANSACTION WITH RELATED ORGANISATIONS

During the year the Company made the following payments to the related organisation, The Federation for the Pan European Benevolent organisation of UFF and HUMANA:

	1995	1994
	£	£
Donations for projects	295,248	462,228
Container Leases	<u>1,000</u>	<u>24,912</u>

The donations for projects are made to The Federation which administers projects on behalf of its members.

The containers are used as clothes collection points and were previously held under operating leases. These leases have now terminated, and containers will in future be bought outright and capitalised as fixed assets.

HUMANA

NOTES TO THE ACCOUNTS

31ST DECEMBER 1995
(Continued)

10. RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS

	Accumulated Funds	Revaluation Reserve	Total Members' Funds
	£	£	£
Balance at 1st January 1994	(112,242)	-	(112,242)
Income less expenditure	78,718	-	78,718
Revaluation of fixed assets	-	62,900	62,900
Balance at 31st December 1994	(33,524)	62,900	29,376
Income less expenditure	14,690	-	14,690
Transfer of depreciation from revaluation reserve	20,967	(20,967)	-
Balance at 31st December 1995	<u>2,133</u>	<u>41,933</u>	<u>44,066</u>

11. LIABILITY OF MEMBERS

Humana is a company limited by guarantee. In the event of a winding - up, the members are each liable to pay up to a maximum of £1.

12. CONTINGENT LIABILITY

Following a visit by H.M. Customs and Excise after the year end the Company has received an assessment for VAT of £246,000 on clothes obtained from Humana Holland. On Counsel's advice the assessment has been appealed against by the Company. The Company believes the assessment will be withdrawn.