

Habitat for Humanity Great Britain

Report and financial statements for the year ended 30 June 2016

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Reference and Administrative Information

Company number: 3012626

Charity number: 1043641

Registered office and operational address

10 The Grove
Slough
Berkshire
SL1 1QP

Trustees

Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Stewart Baseley, Chairman
Susan Revell, Vice Chair
Gordon Holmes, Treasurer
Ian Whitehead
Larry Sullivan
Gary von Lehmden
Simon Thomas
Adrienne Carr
Gregory Foster

Key management personnel

Meryl Davies, Chief Executive Officer
Jakub Piasecki, Head of Finance
Tum Kazunga, Head of Income Generation
Manuela Campbell, Head of Supporter Services
Lizzie Babister, Programme Director
Gareth Hepworth, CEO Habitat for Humanity GB Homes
David Clare, COO Habitat for Humanity GB Homes

Patrons

H.R.H. The Duke of Gloucester KG GCVO
The Rt. Hon. Alistair Burt MP
The Rt. Hon. Sir Simon Hughes
Rabbi Rt. Hon. Lord Jonathan Sacks Kt
Terry Waite CBE
Michael Kirkwood CMG

Bankers

National Westminster Bank Plc
1 Town Hall Buildings
Bridge Street
Banbury
OX16 5JS

Solicitors

Bates Wells and Braithwaite London LLP
10 Queen Street Place
London
EC4R 1BE

Auditors

Wilkins Kennedy LLP
Gladstone House
77-79 High Street
Egham
Surrey
TW20 9HY

Foreword from our Chairman

Housing must become a priority

1.6 billion people live without adequate shelter and in unsafe slums. These people live in constant fear of forced eviction. Every year, millions of families have to rebuild their homes due to disasters.

At Habitat for Humanity, our mission is to build a safe environment where families and communities can thrive. Access to decent housing is the foundation to achieving essential human rights such as education, property, food, and privacy. Home is the first step toward a future of opportunities and prosperity. This is why we make it a priority to help those in the most vulnerable situations.

If action to decrease poverty is to be successful, increasing the housing supply across the globe is essential. Adequate housing is vitally important to the health of the world's economies, communities, and populations, yet the percentage of people without access to decent, stable housing is rising.

In 40 years of working across the globe, Habitat for Humanity has shown that building homes does more than put a roof over someone's head. In clean, decent, stable housing:

- Families can provide stability for their children.
- A family's sense of dignity and pride grow.
- Health, physical safety, and security improve.
- Education and job prospects increase.

So what is the impact of a home?

1 - Safe, decent housing improves health

Clean and warm housing is an essential input for the prevention and care of people affected by diseases of poverty such as HIV/AIDS, tuberculosis, diarrhoea, and malaria. In Malawi, children under five years who live in Habitat for Humanity houses had 44% less malaria, respiratory, or gastrointestinal diseases compared to children living in traditional houses.

2 - Home is a great means for creating wealth

Home ownership is an important means of wealth accumulation for families, especially those with a lower income. In low-income countries, housing construction creates job opportunities for migrants to cities and stimulates the creation of small business. The process of securing land tenure for informal settlements helps to increase access to credit.

3 - Good housing in communities attracts economic investment and development

Good housing also contributes to thriving school systems and community organisations. It is a catalyst for civic activism and a stimulus for community-based organisations. Safe homes and neighbourhoods, in which residents are satisfied with housing conditions and public services, help to build social stability and security.

The guiding principles for Habitat homes are the same the world over.

Simple

Habitat for Humanity houses are modestly sized— large enough for the homeowner family's needs, but small enough to keep construction and maintenance costs affordable.

Decent

Habitat for Humanity uses quality, locally available building materials. Trained staff supervises the Habitat house construction and educates volunteers and partner families.

Affordable

The labour of volunteers and partner families, efficient building methods, modest house sizes and no-profit, inflation-adjusted, no-interest loans make it affordable for low-income people around the world to purchase a Habitat for Humanity house.

We seek a pathway to permanence when responding to disasters

Devastating natural disasters happen around the world every year. War, conflict and civil unrest also create millions of refugees. Families left homeless by disasters and refugees who return to their homelands face bleak futures, as they struggle to rebuild their lives.

By giving the communities the means to rebuild, we have been able to support, empower and work with families in building recovery shelter and housing solutions.

Recovery after a disaster begins on day one, and we know that when it comes to shelter assistance, one size does not fit all. We believe the victims should be able to take back control of their lives and of the recovery process as soon as possible. This is the purpose of our core principle "Pathways to Permanence"



and our vision: a world where everyone has a decent place to call home. "Pathways to Permanence" is the process of supporting disaster-affected families and communities towards the achievement of permanent, durable shelter and settlements.

Guiding principles of our process

Reconstruction begins the day of the disaster

We begin with the goal of permanent, durable shelter in mind. A good reconstruction policy helps reactivate communities and empowers people to rebuild their housing, their lives, and their livelihoods.

Community members should be partners in policy-making and leaders of local implementation.

Working with local institutions is key to the rebuilding process. Reconstruction policies and plans should be financially realistic but ambitious with respect to disaster risk reduction. Relocation disrupts lives and should be minimised. Civil society and the private sector are important parts of the solution.

To contribute to long-term development, reconstruction must be sustainable.

Housing microfinance

A typical problem in many developing countries is not the lack of housing but decay and dilapidation of the current housing stock. Housing microfinance is a tool for families to improve their living conditions gradually. Housing microfinance loans have relatively short repayment periods, small loan amounts and little or no collateral required. Typically, families use them for roof reconstruction, adding toilets and running water, installing heating and better insulation.

We do not issue microfinance loans ourselves, but collaborate with partner microfinance institutions. While partners provide loans, we provide training to homeowners on financial responsibility and managing their loans. We also offer construction assistance and evaluation of the quality of the work completed.

In Europe and Central Asia for instance, we have a current housing fund worth more than \$9.5 million. To date, we have served more than 1,700 families in the region by giving them access to affordable housing microfinance loans.



Habitat for Great Britain in 2016

The year to June 2016 was one in which Habitat for Humanity Great Britain (HFHGB) turned a significant corner. We consolidated changes which were begun in early 2015, developing a fresh approach to the work that we do and put in place a leadership team which is building on past successes and developing an approach which we believe will lead to focussed and steady growth in the coming years.

Milestones in 2016

HFHGB is leading a consortium which is funded by a DFID grant focussed on preparedness for crises. We are working with Oxfam UK, UCL, and ODI to focus on how urban crises and systems can be strengthened to reduce the impact of natural disasters on poor communities. We have continued to work on disaster risk reduction in other projects, notably in Bangladesh. We are also partnering with our colleagues in the Philippines on projects affecting coastal and fishing communities.

Our Global Village volunteering programme has a new leader in place and we have sent teams of volunteers to countries including the Philippines, Romania, and Malawi. We fully expect this programme to be a core element in our engagement with our corporate partners and are delighted that it offers

us such a tremendous opportunity for our partners to get experience of working with local masons and local families. Volunteering is also an essential aspect of our domestic programme which is undertaken by HFHGB (Homes) and thousands of hours of volunteer time has been donated to help us achieve our goals this year.

Our Hope Builders campaign is also under new leadership. This campaign brings together the house building industry in the UK to support issues of poverty housing across the world.

Our new Chief Executive, Meryl Davies, joined us in November 2015. She and her senior team are focussed on growing the support we give to families around the world by ensuring that they have shelter and housing which brings them stability and self-reliance.

It has been an honour to serve on the Board of HFHGB for more than ten years. I am delighted that Ian Whitehead has agreed to succeed me as Chairman. I look forward to seeing HFHGB go from strength to strength.

Stewart Baseley
Chairman

Trustees' Annual Report

The trustees present their report (which also comprises a directors' report for the purposes of company law) and the audited financial statements for the year ended 30 June 2016.

Reference and administrative information is set out on page 2 and forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).



Objectives and Activities, Purposes and Aims

HFHGB is part of the global federation of Habitat for Humanity International. At Habitat for Humanity we view our work as successful when lives are transformed and when positive and lasting social, economic, and personal change is promoted within a community. Authentic transformation changes the lives of all who participate: those who need housing, volunteers, advocates, donors, and development staff.

Underpinning our global approach to personal and community change are three principles:

- We focus on shelter through home owner and community engagement and so achieve house construction and housing improvement. This provides adequate and affordable homes for low-income families through a community-wide approach and so achieves increased household assets and community dignity and hope.
- We advocate for affordable housing through issue based campaigns and so achieve legal and regulatory change. This leads to systemic changes which removes barriers to secure and affordable housing. With better access to housing and fewer forced evictions, children and vulnerable families have greater stability.
- We promote transformational and sustainable development through housing support services and so achieve technical assistance. This leads to sustainable improvements in construction and this in turn gives people healthier homes and lower energy bills.

For us, housing is both a product and a process. As a product, housing improves household health and well-being and leads to increased time at work or school. Improvements in income and education break the cycle of poverty. Housing as a process focuses on building community cohesion that can lead to systemic change and reduced vulnerability.

Ultimately we want to leverage our impact to achieve social change. We do this by allocating our resources across the three spheres of influence: community, sector, and society. Ultimately we are driving:

- broader engagement in housing solutions
- support for market development
- demand for policies and systems that create new opportunities for those in need of adequate, affordable shelter.

HFHGB works within these principles and oversees programmes and activities in Great Britain and grant-funded programmes elsewhere in the world. As part of the global federation of Habitat for Humanity International we support the programmatic work undertaken around the world, and as part of the EMEA region we are committed to increasing our focus on Europe, Middle East, and Africa. In addition, we are committed to promoting excellence across all aspects of our work and to finding fresh ways to contribute to the federation. We have



been doing this by developing research-based activities, one of which is highlighted on page 12.

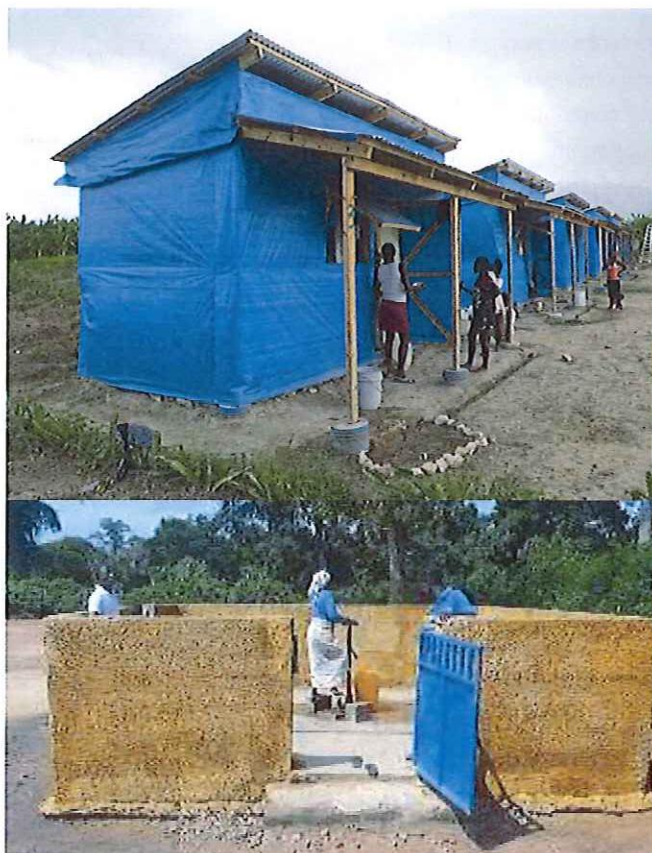
The work that we undertake in Great Britain, through HFHGB (Homes), covers three main areas:

1. We work with other charities or housing associations to provide new affordable housing from underused facilities and spaces. This year, the work has focussed on the planning and project development process. Projects involve the development of multiple units and will increase the social impact of the charity over the long term.
2. We refurbish empty properties to provide short to medium term homes for people currently in temporary accommodation. Much of this work is undertaken with volunteers, some of whom are training to enter the construction industry. Our programme brings empty property back into use via a lease and repair scheme between HFHGB (Homes) and the owner. This not only provides housing but also helps to regenerate neighbourhoods and associated wider social benefits.
3. We work with volunteers from corporate supporters; we are looking to enhance social amenities and repair and renovate existing facilities. This strand of work not only improves the buildings and other facilities but also enables our corporate

supporters to build relationships with community based organisations. It also helps to foster the development of links between disparate sections of our community in London with affluent employees in the financial services sector working alongside people who in the recent past have been rough sleepers: a rare interaction in today's London.

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.



Programmes in the EMEA Region

Côte d'Ivoire

Habitat for Humanity is working with the Guernsey Overseas Aid and Development Commission to address water and sanitation problems for vulnerable populations in the central, northern and eastern regions of Côte d'Ivoire.

This project targets vulnerable farmers and their families who need safe water and appropriate sanitation. Diarrhoea kills around 87,000 children under five in Côte d'Ivoire each year. Many girls in the area are losing out on education because they are busy fetching water. Girls also avoid school because of the lack of separate and decent sanitation facilities in schools. More than 85% of women in Côte d'Ivoire are in charge of supplying their families with water and are forced to spend large parts of their day fetching water. Poor farmers and workers are frequently ill. Against such a backdrop, sustainable development becomes almost impossible.

We are working in partnership with local authorities and the community and have focussed on the rehabilitation of 30 water pumps to serve 8,400 individuals; the rehabilitation of 45

latrines to serve 225 individuals; the training of 3,000 people; and the distribution of hygiene kits to 4,000 individuals.

Ethiopia

Habitat for Humanity Ethiopia has a programme called Essential Services: Healthy Home Environment and as part of this, we are working on a slum upgrading project in urban and peri-urban areas of Addis Ababa. The focus is on non-financial housing products and services such as community infrastructure, hygiene training, and establishing savings groups.

The project also covers construction in three areas:

- construction of shared infrastructure such as communal toilets, pathways, ditches, pumps etc.
- household support service in house renovation and installing floors.
- training including in communal infrastructure and waste management.

This project, which is funded by a consortium of funders from the UK, is helping Habitat for Humanity Ethiopia lay the groundwork for a more wide-ranging slum upgrade programme.

Great Britain

HFFGB (Homes), which delivers our domestic programme, is working in three areas: new homes, empty homes, and partnerships.

New Homes: During the year under review the landscape for building new affordable homes for rent became more challenging as the price of land and housing continued to rise and the limited government grant became increasingly focussed on schemes to help people buy homes (shared ownership and starter homes). This is in line with government policy but as with many in the affordable housing sector we are concerned with the lack of investment in the affordable rented sector.

Empty Homes Projects: HFHGB (Homes) bought back into use one three-bedroom home in Southwark for use by a family who are recovering from the impact of domestic violence. This home, which is being used for Move-On accommodation, has also freed up space in an emergency hostel for another family in desperate need. By the end of the year we were close to completing a second project to convert an unused building into two two-bedroom flats. These will also be used by women and their families rebuilding their lives following traumatic events.

Partnerships: We partner with charities whose mission is to help the most vulnerable people in our communities. Our role is to provide free or reduced cost packages of works that can be funded from corporate donations and can utilise

the enthusiasm and energy of our corporate supporters. During the year under review we worked with Charlie Chaplin Adventure playground to help maintain and improve their grounds.



Volunteers, supervised by our construction team, painted refuges for women who are rebuilding their lives following domestic violence, in partnership with Housing 4 Women. Other volunteers have assisted in the development of a gardening project for local residents in East London. Other teams have also helped refurbish community buildings in Fulham and Dagenham.

In June 2016 HFHGB (Homes) completed a major project in partnership with Veteran's Aid and Bloomberg. Veteran's Aid provides support to ex-service people, including providing housing and intensive support for veterans who have become homeless. HFH, with support from 723 volunteers from Bloomberg, completed the refurbishment of the "move on" section of the Veteran's Aid building in Tower Hamlets and this section of the building now provides high class accommodation for 12 clients to complete the transition from homelessness to being full members of society.

Malawi

Despite multiple interventions to help vulnerable groups in Malawi who have been affected by HIV/AIDS, very little focus has been put on shelter for vulnerable children. Habitat for Humanity Malawi believes that the provision of shelter is one way of eliminating poverty and improving the lives of orphans and vulnerable children (OVCs) and other vulnerable groups.

With our donor, Touchstone, the project improves the living conditions of orphans and other vulnerable children, reducing their vulnerability through the construction of 24 fully-subsidised decent and permanent low-cost houses, and the provision of complementary interventions such as malaria prevention training, HIV prevention training, and property-rights training. Each family also receives a ventilated and improved pit-latrine.

Lebanon

Thousands of Palestinian refugees live in urbanised 'camp' communities in Lebanon. The camps blend into the cities that surround them. Unable to access public services, the refugees tend to survive on the informal labour markets and struggle to find decent housing. Habitat for Humanity Lebanon has been working with a handful of civil society organisations across the country to improve the living conditions of 320 vulnerable families. This project is particularly directed at families with elderly and disabled family members, children, and other vulnerable groups. We have upgraded kitchens and bathrooms, made roofs water-tight, and replaced broken windows. Facilitating these improvements while allowing the families to manage the work themselves has instilled a sense of dignity, with many families stating they are no longer embarrassed to invite family and friends to visit.

Asia Pacific Programmes

Cambodia

Habitat for Humanity Cambodia is working in partnership with an HIV/AIDS treatment NGO to deliver the New Start, New Life programme. The programme works with vulnerable families to improve their homes or to build new homes, and to train family members in livelihood and small enterprise skills. Decent homes also contribute to the improved health of the person with HIV/AIDS and the whole family. A public awareness scheme, which includes volunteering on the house builds, helps to break down barriers and allows families to re-engage and re-integrate into the community. Funding for this programme has come from TowerBrook Foundation with further support via Habitat for Humanity Australia.

Bangladesh

In Bangladesh, we are partnering with local organisations on the important work of disaster resilience. Low-lying regions of southern Bangladesh are highly vulnerable to the effects of cyclones and flooding leaving communities dealing with an endless cycle of disaster and recovery. Over the last four years, funding from the Jersey Overseas Aid Commission has enabled

Habitat for Humanity Bangladesh to develop a sophisticated programme of interventions designed to empower rural village communities to be able to adapt and build resilience to cope with the challenges they face.

Using the Red Cross' Participatory Approach to Safe Shelter Awareness (PASSA) methodology as a basis for assessing community and household level hazards and risks, Habitat for Humanity Bangladesh and their local partner facilitate the formation of Village Disaster Management Committees (VDMCs). The VDMCs are responsible for coordinating with local authorities on implementing resilience action plans that improve local people's ability to prepare for disasters. The community and school children are trained in Disaster Risk Management, Water, Sanitation and Hygiene after disaster and in resilient building techniques. As part of this training, Habitat for Humanity Bangladesh works with local masons and carpenters, along with the most vulnerable families to build demonstration houses for them, showing the simple effective steps people can take to increase their homes' ability to withstand cyclone winds and perennial flooding.



Disaster Resilience: the Urban Crises Learning Partnership

Work in Bangladesh also forms part of a DFID funded research project: the Urban Crises Learning Partnership (UCLP). This is a two-year (2016-17) initiative that aims to generate knowledge and learning about preparing for, and responding to, crises in urban areas. It is led by HFHGB with the participation of Oxfam GB, University College London (UCL), and the Overseas Development Institute (ODI). While the learning is intended to be generated globally, resources have also been invested in Haiti and Bangladesh, where Habitat for Humanity and Oxfam are undertaking primary research for the project. The two primary objectives of the project are:

1. to improve the way stakeholders in urban crises engage with each other to form new partnerships and make better decisions.
2. to improve mitigation of disasters, preparedness and response by developing, testing and disseminating new approaches to the formation of these relationships and systems.

The first phase of the project has focused on Accountability to Affected Populations (AAP), a concept that aims to ensure that people affected by disasters are listened to and that they can participate meaningfully in decision-making processes about disaster preparedness and response. The international humanitarian community has made commitments about AAP for two decades but evidence suggests that humanitarians have failed to meet the standards that they have set themselves when engaging with affected people.

As the number of crises in urban areas has been rising steadily in recent years, the challenges associated with humanitarian response have become significantly more complex. There is therefore an urgent need for the humanitarian sector to understand why it is failing in its commitments on accountability, and to improve the processes and mechanisms it employs in attempting to be more accountable to complex urban populations.

The UCLP project is seeking the views of affected populations and examining the perspectives, assumptions, attitudes, and experiences of humanitarian actors: how they view affected people in urban areas; how they engage with other relevant stakeholders at each stage of the programme cycle; what they perceive to be their responsibilities on accountability; what mechanisms they have in place to engage affected populations; and the extent to which they perceive that shortcomings in the system may be attributable to weak accountability measures.



In Haiti, the UCLP is generating learning about accountability by engaging with people affected by the 2010 earthquake. Habitat for Humanity in Haiti is reviewing its own earthquake response from an AAP perspective, as well as learning from the experiences of other international organisations that were involved in the earthquake response. In Bangladesh, Habitat for Humanity and Oxfam are analysing plans for an expected earthquake in Dhaka from an AAP perspective. They aim to generate learning on the processes through which earthquake preparedness plans have been developed; the extent to which potentially affected people have been involved in the development of those plans; and the processes that will be in place to ensure AAP in the event of a serious urban disaster in Dhaka.

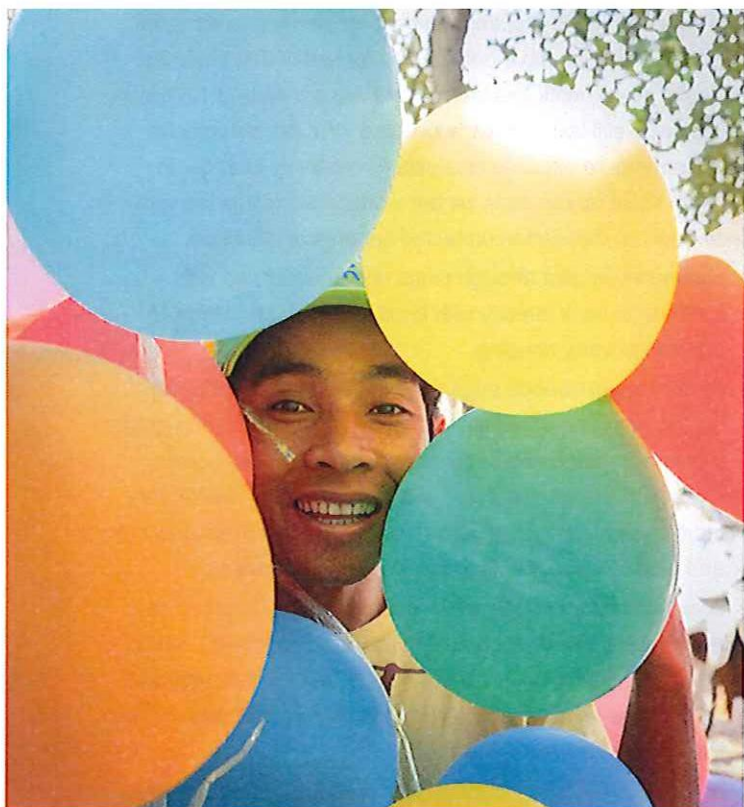
The UCLP is part of a wider initiative funded by the UK Department for International Development (DFID) called the Urban Crises Learning Fund. The Fund is managed by the International Institute for Environment and Development (IIED), and supports the work of our sister consortium, led by the International Rescue Committee (IRC), with the participation of the Norwegian Refugee Council and World Vision. The IRC-led consortium is developing guidance for international humanitarian agencies working in urban areas, particularly in the context of conflict and displacement.

In addition to the two consortia, the Fund also issues research grants which are used to support innovative thematic and regional research on key issues shaping humanitarian responses in urban areas. Under the Fund, IIED also organise and host events and workshops, which aim to disseminate best practices and advocacy messages, discuss policy changes, disseminate and analyse learning from urban programming in humanitarian contexts, and build the capacity of key actors. For more information, see <http://www.iied.org/urban-crises-learning-fund>.

Working with volunteers to achieve our aims

Global Village

Our short-term, international volunteering programme ("Global Village") enables volunteers to directly participate in Habitat for Humanity's ongoing global construction projects. During the year, a total of 127 volunteers participated in seven Global Village building trips. Fees for Global Village builds include administration costs of Habitat for Humanity GB, in-country costs for hosting volunteers, and a donation of £400 to £700 per person. Total income received for Global Village in 2016 was £343,704 (2015: £282,674), representing growth in the programme but with delayed impact that will be reflected in volunteer and build numbers in 2017.



In 2016, £45,605 (2015: £71,336) was transferred to Habitat for Humanity hosting countries through this programme. This decrease in transfers is due to three factors: fewer volunteers participating in the programme, the cancellation of two builds due to civil unrest in Nepal, and a corporate partner whose donation component was part of a larger restricted programme funding. In 2016, £97,789 (2015: £133,040) was expended for international project expenses which represents the cost of sending and hosting international volunteers. The decrease in 2016 is due to Habitat for Humanity GB no longer purchasing

flights for participants, resulting in lower expenditure.

Overall corporate partners represent £233,769 (2015: 144,422) of the £343,704 (2015: 282,674) income received by the Global Village programme in 2016. Corporate partners participate in Global Village builds in addition to their wider support. For example, Touchstone sent a team of 11 staff members to volunteer on the restricted project they are funding in Malawi over a three-year period.

Volunteers and our domestic programme

HFHGB (Homes) also relies on volunteers including hands-on volunteer work on our construction sites, raising funds to support our work, and providing advice around new projects. We are constantly seeking to expand the range of volunteering opportunities available to ensure that we can serve as many families as we are able. This means that volunteers have a very tangible set of outputs and can see the impact of their contribution.

Volunteers during the year under review came from a wide range of backgrounds and with a variety of life experiences – some were students looking to develop their skills before working in the construction industry; others were working in the corporate sector and came because their employers appreciate and support the wider value of building homes and community in London as part of their CSR programmes and their individual desire to make a difference to their communities. We also welcomed volunteers from the local community who were giving their own time.

Strategic report

HFHGB underwent significant change in 2015 and needed to turn around in 2016 in order to achieve its strategic aims. The charity set itself some ambitious fundraising targets at the beginning of the year, but these were reviewed and re-forecast in light of the need to tackle fundamental structures within the fundraising function. The new structure and team members have put in place scalable plans and we are now moving in the right direction.

Significant achievements in the year included the award of a DFID grant to run a consortium to consider the response to urban crises amongst communities in the global south. We expect the findings of the Urban Crises Learning Partnership to make a significant contribution to the Habitat for Humanity federation and the wider humanitarian sector.

In fundraising, we re-launched our partnership with the house building industry known as Hope Builders and put in place

staff and capacity to develop a strong basis for imaginative fundraising for the future. Working with the wider industry and developing strong partnerships across the various sectors which are involved in house building remains an important strategic focus for us.

Our domestic programme, delivered by HFHGB (Homes), has been focussing on significant planning and project development work for multiple housing units in underused facilities and spaces.

Volunteering partnerships have also formed an essential part of the work of the organisation both in Great Britain and in our international programmes. We are determined to continue to foster links between disparate groups both domestically and internationally and to make opportunities for people to work together on essential housing and shelter projects for families in need.

Global Village is a unique opportunity that Habitat for Humanity can make available to volunteers to join us in building houses in several countries where we operate. HFHGB has developed this programme in the course of the year under new leadership and with clear goals and determined focus on success, including in site safety. The increase in recruitment to Global Village will show in financial success in future years. The Supporter Services team which runs this programme is also determined to ensure that volunteering becomes just one strand of a multi-faceted engagement with the organisation to achieve real collaboration between the volunteers and those they support.

Achievements and performance

HFHGB sets out to make a significant contribution to the wider federation of Habitat for Humanity International. In the current year we have made financial contributions and set up a research project which has the potential to inform our work in a number of urban settings.

In fundraising, we have developed a new approach to developing partnerships by scaling back the breadth of work we undertook and focussing on developing a strong supporter services ethos for a clearly defined set of partners.

Our next steps will be to create more long-term partnerships so that we can provide stronger and longer commitments to those who implement the programmes we fund.



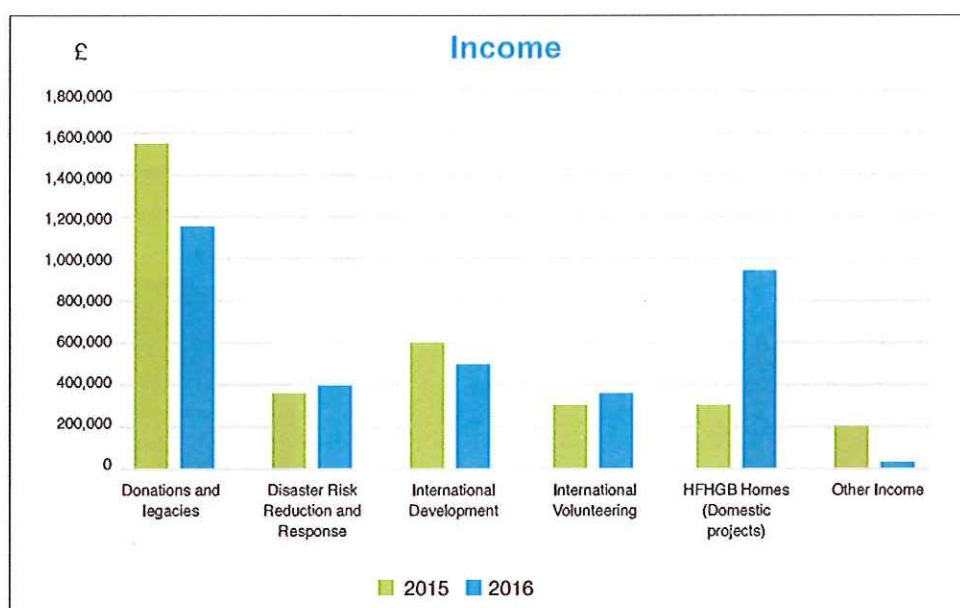
Beneficiaries of our services

Habitat for Humanity has been building houses, communities and hope through direct engagement for nearly four decades. In Great Britain we have been active for half of that time. As powerful as our work has been, there are still around 1.6 billion people who still live in poverty housing. We are determined to become more effective catalysts for systemic change. In order to scale up our aims we are working alongside the wider federation on three interconnected spheres of influence:

- community impact through direct engagement: we will continue to work directly with families and communities to address poverty housing.
- sector impact through engaging with the broader housing sector: this is how we influence public, private and non-profit partners, promoting an approach that assists low-income families to help themselves. We are driving the market for housing-related financing and housing improvement services and products accessible to families living in poverty.
- societal impact through growing awareness of housing as a critical foundation for breaking the cycle of poverty: we mobilise volunteers for the cause of affordable housing and provide backing for public policy and market changes that can lead to even broader impact.

HFHGB is participating in all aspects of this work, helping to improve digital channels for some global campaigns, developing research projects and promoting the importance of shelter as a key aspect of development work. Our domestic programme, delivered through HFHGB (Homes) is ensuring that the importance of shelter to deliver strength, stability and self reliance to families in need is recognised in Great Britain and across the world.

We have put in place plans which will allow us to make a significant contribution to the wider organisation's work in



growing fundraising and digital communications, in developing innovative programme and research work which will be of benefit to current and future beneficiaries, and by committing to excellence in evaluation and reporting on projects.

Financial Review

Financial data in this section relates both to the performance of the charity and the Group, including HFHGB (Homes) unless otherwise indicated.

Summary

In 2016 HFHGG Charity continued the implementation of a restructuring plan started in 2015 and aiming to rebalance unrestricted income and expenditure and build sufficient free reserves. As a result the charity finished the year with a tenfold increase in its unrestricted funds as compared to 2015. HFHGB (Homes) continued the development and growth strategy from previous years resulting in 68% increase in the gross turnover and over threefold increase in income from charitable activities.

Income

Total income for the Group in the year was £3,406,917 (2015: £3,285,274). Total income for the Charity in the year was £2,338,491 (2015: £2,653,506). The primary reason for the decrease in donations and legacies income was £260,037 decrease in Habitat for Humanity International's transfers to HFHGB. The changes in Disaster Risk Reduction and Response and International Development relate to the different focus of institutional and corporate fundraising during the year.

The increase in the International Volunteering income reflects the Global Village programme experiencing growth in volunteer take-up during the year. The decrease in other income relates to the equity release of £187,141 resulting from the sale of one of HFHGB (Homes) built homes by the beneficiary.

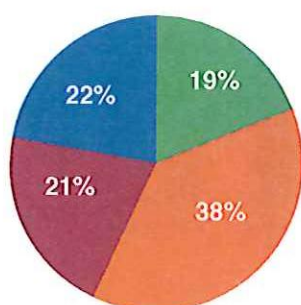
Charitable Expenditure

Charitable expenditure for the Group in the year was £2,460,821 (2015: £2,944,566). Charitable expenditure for the Charity in the year was £1,422,382 (2015: £2,341,675). The decrease in charitable expenditure consists primarily of the decrease in international transfers to the implementing Habitat for Humanity organisations. The transfers decreased from £1,327,315 to £669,031 across all areas of international work. Four key reasons for this decrease are:

- Two large institutional projects (DFID and Sailor's Society) came to an end in 2015. HFHGB was successful at securing future funding from both donors but this will only affect 2017 transfer figures.
- In 2015 Habitat for Humanity transferred £205,075 of non-reportable funds, half of them relating to the Haiti earthquake to the implementing countries. Because of the historical nature of these funds, this category of transfers decreased in 2016 to £66,416.
- Transfers related to HFHGB's largest institutional donor, Jersey Overseas Aid Commission, decreased from £293,012 to £96,637.
- The Global Village programme sent fewer volunteer teams abroad than in 2015.

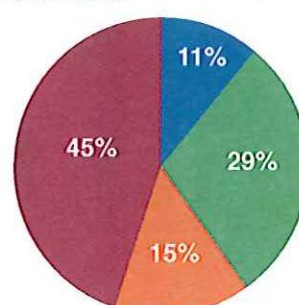
Charitable expenditure: 2015

- Disaster Risk Reduction and Response
- International Development
- International Volunteering
- HFHGB Homes



Charitable expenditure: 2016

- Disaster Risk Reduction and Response
- International Development
- International Volunteering
- HFHGB Homes



Total expenditure

Total expenditure for the Group in the year was £2,729,951 (2015: £3,354,747). Total expenditure for the Charity was £1,661,446 (2015: £2,717,862).

Expenditure on raising funds decreased from £410,181 in 2015 to £269,130 in 2016, primarily due to a decrease in compensation costs. Direct fundraising and promotions costs decreased from £110,756 in 2015 to £43,648 in 2016. The costs associated to fundraising decreased as a result of a number of fundraising initiatives being put on hold during the restructuring process and are expected to increase in 2017.

Staff costs in 2016 for the Group were £797,084 (2015: £930,252). The decrease relates entirely to HFHGB Charity and corresponds to the decrease in average staff numbers from 16 in 2015 to 13.3 in 2016.

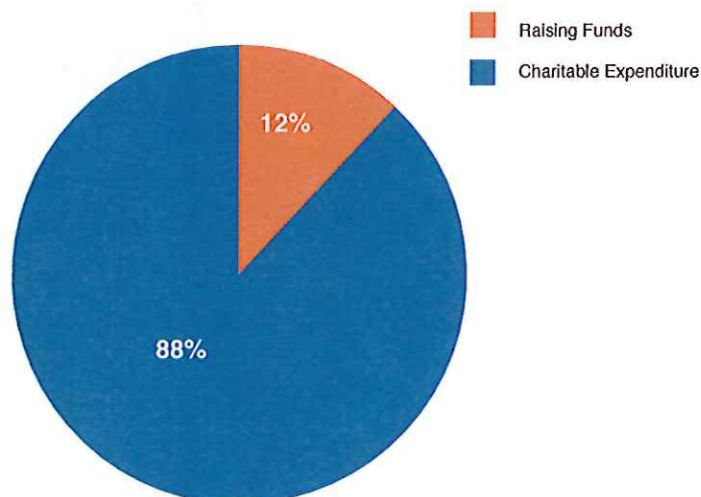
Financial position HFHGB Charity

HFHGB Charity finished the year with £338,602 of unrestricted funds (2015: £33,057) and £1,120,283 of restricted funds (2015: £748,782).

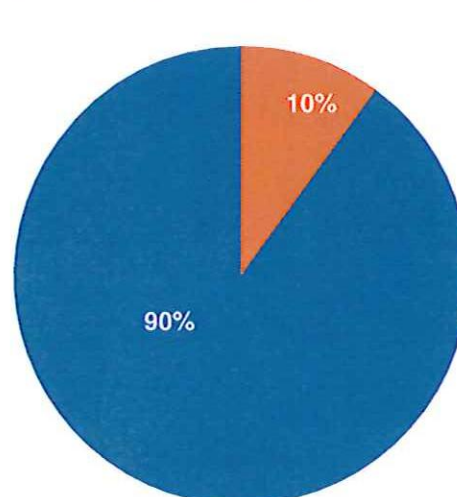
The unrestricted surplus of £305,545 was at least partly a result of one-off events: the last tranche of unrestricted Habitat for Humanity International support for HFHGB's restructuring process amounting to £156,000 being released from deferred



Charitable spending and fundraising costs: 2015



Charitable spending and fundraising costs: 2016



revenue as per the agreement with Habitat for Humanity International and a legacy gift of £126,000 received during the year. Discounting these one-off events, the charity made a surplus of £23,000.

The unrestricted surplus is linked to the decrease in expenditure. Compared to 2015 results, unrestricted income increased by 9%, while unrestricted expenditure decreased by 31%. The aim for 2017 and beyond is to work towards a balanced budget and maintain a similar level of unrestricted funds (see 'Reserves Policy' below).

HFHGB (Homes)

HFHGB (Homes) finished the year with £1,246,905 of unrestricted funds (2015: £1,262,376) and £38,694 of restricted funds (2015: £23,302). The subsidiary's unrestricted funds are primarily held as investments in charitable building projects and HFHGB (Homes) holds £314,685 in liquid assets. This is above and beyond what is required by the subsidiary's reserves policy but due to the number of live building projects is deemed by the management to provide an appropriate level of working capital.

Reserves Policy

Free reserves are the part of a charity's unrestricted funds that is freely available to spend on any of the charity's purposes. This figure is calculated as total unrestricted funds excluding fixed assets and designated funds. At the end of 2016, HFHGB

held reserves of £331,515 (2015: £22,564) equating to five months of operating costs of the Charity. The operating costs are based on the subsequent year's budget and include all unrestricted expenditure less transfers to other Habitat for Humanity entities and direct costs of International Volunteering as these are contingent on the income received in the year. All reserves are held as cash at bank and are therefore immediately available should the need arise.

The Trustees set the target level of reserves held in 2017 as three (£199,269) to six (£398,537) months of the operating costs of the charity. This level of reserves was determined based on consideration of the following:

- The charity is currently undergoing a period of change and investment in new fundraising activities and staff. While these are expected to increase the level of income, they carry inherent risks which the Trustees aim to manage appropriately.
- There have been no major events indicating that the charity would be liable for covering shortfalls in programme delivery from unrestricted funds. Therefore, the beneficiaries of the charity are not being put at risk in this context.
- The Trustees approved a balanced budget for 2017 and, according to this budget, the level of reserves should not fall outside of this range during the financial year.
- In 2016 the charity benefited from a significant legacy and these funds were used to increase the reserves to the level



indicated as the target in previous years.

- In case the charity ceases to operate as a going concern, a minimum of 3 months of operating costs will be required for liquidation.
- Habitat for Humanity International's Global Village Contingency Policy estimates the level of risk for sending countries of HFHGB's size at around £34,000 in case of civil unrest or natural disasters, or to cover events such as currency fluctuations. The Trustees consider HFHGB's reserves target level set above as sufficient in this context.

In terms of the domestic programme, the charity holds free reserves to enable it to develop new projects and to provide for contingencies, although it does not cover contingencies on individual projects. However, it is not constrained from providing for project contingencies should the need arise. The trustees have established that the minimum level of reserves in the general fund (that is funds that are freely available) that HFHGB (Homes) ought to have is six months of general expenditure

which is approximately £160,000. This equates to £70,000 in cash and working capital, with the balance of £90,000 coming from lease receipts and mortgage repayments that we would expect to receive over a six month period. This is sufficient to permit an orderly transition should this be needed. Our current level of free reserves is £314,685. This amount is required to provide the working capital for current projects and to enable the organisation to fund future projects. Designated funds are being put in place to cover the expected costs that are likely to be incurred when leased property is handed back to the owners on the expiry of the leases.

The Trustees monitor the level of reserves held on a quarterly basis as part of routine management reporting, which includes the unrestricted fund balance at the end of each quarter. Should the level of reserves fall or be expected to fall outside of this range the Trustees, in consultation with the management team, will agree a plan for restoring the level of reserves within the subsequent three to six months.

Principal Risks and Uncertainties

External

Both HFHGB and HFHGB (Homes) rely on external, institutional funding to carry out our mission. This funding is increasingly difficult to obtain. The Empty Homes programme, which HFHGB (Homes) used successfully in recent years, came to an end in September 2016. Both charities are working towards a goal of diversifying their funding streams to mitigate this risk. HFHGB is investing in a robust corporate fundraising programme and HFHGB (Homes) is developing models utilising capital obtained from social lenders with full cost recovery over the life of the project.

Operational

Both HFHGB Charity and HFHGB (Homes) are involved in building and infrastructure projects which are inherently risky both in Great Britain and abroad. During the year, HFHGB made significant progress in developing systems and processes safeguarding the Charity from these implementation risks through overseeing project implementation, including legal, financial, and donor compliance and by developing stronger ties to the programme specialists in Habitat for Humanity's Area Offices. HFHGB (Homes) mitigates this risk through having managers that are experienced in project management and trustees who have extensive construction and large project experience.

Health and Safety of our staff and volunteers remains one of the key risks linked to the nature of our work. Both organisations maintain strict Health and Safety procedures and insurance policies and provide volunteers with comprehensive training before allowing them on site.

Financial

In the previous year, the key risk for HFHGB Charity was the unrestricted funds deficit and insufficient free reserves. During 2016 the charity has built significant reserves and this risk has now become less of an issue. The level of unrestricted funds is monitored by the Board of Trustees on a quarterly basis.

Among other key risks to the financial stability of our work is currency fluctuations, particularly following the EU referendum. HFHGB Charity managed this risk by holding sufficient foreign currency reserves throughout the period of uncertainty. Other significant risk relates to defaults on agreed payments by donors and resulting shortfalls in budgeted project funding.



This risk is managed by the implementation of more stringent donor agreements and careful planning at the partnership development stage which allows assessment of risks before commitment to the donor and the implementing entity is made.

Compliance and Legal

Both organisations operate in a highly regulated environment and managing legal and compliance risk is one of the key responsibilities of management. Both organisations make sustained efforts to attract, retain and develop specialist staff. The key compliance areas, which are monitored on an ongoing basis include the upcoming changes to fundraising regulations, the potential change to HFHGB's VAT status due to the changing nature of our fundraising, and auto enrolment of employees into the pension scheme. HFHGB Charity has invested significant resources in managing these appropriately, including staff training, use of external advisers and development of internal policies.

Plans for the Future

Partners

There is a number of relationships which are crucial to our success and we are working on all of these as we move into 2017.

1. *With our donors.* We are committed to developing much stronger links to our current donors and drawing upon this to develop new relationships. Our success must be built on developing multi-year partnerships with supporters in all areas and so supporter relations is a key area of development for us.
2. *With our partners in EMEA.* We wish to be a strong partner for our region, with the Area Office, National Offices and other members of the Global Funding Network for Habitat for Humanity International in Northern Ireland, Ireland, the Netherlands, and Germany. We will collaborate in developing new ideas (such as digital), in developing funding opportunities (particularly for Africa), and in fundraising ideas and approaches.
3. *With our partners in Habitat for Humanity International.* We firmly believe we can learn from each other and that sharing ideas, opportunities, and relationships will make the whole organisation stronger.

Products and Focus areas

In 2017 we will develop our series of focus areas and products.

These reflect the USPs and key differentiators for Habitat for Humanity. By developing these focus areas and products we will increase opportunities to work as a team and ensure that we are using our resources effectively, developing materials and approaches which will work for a wide variety of prospects, and developing a strong understanding of Habitat for Humanity's programmatic work among our supporters.

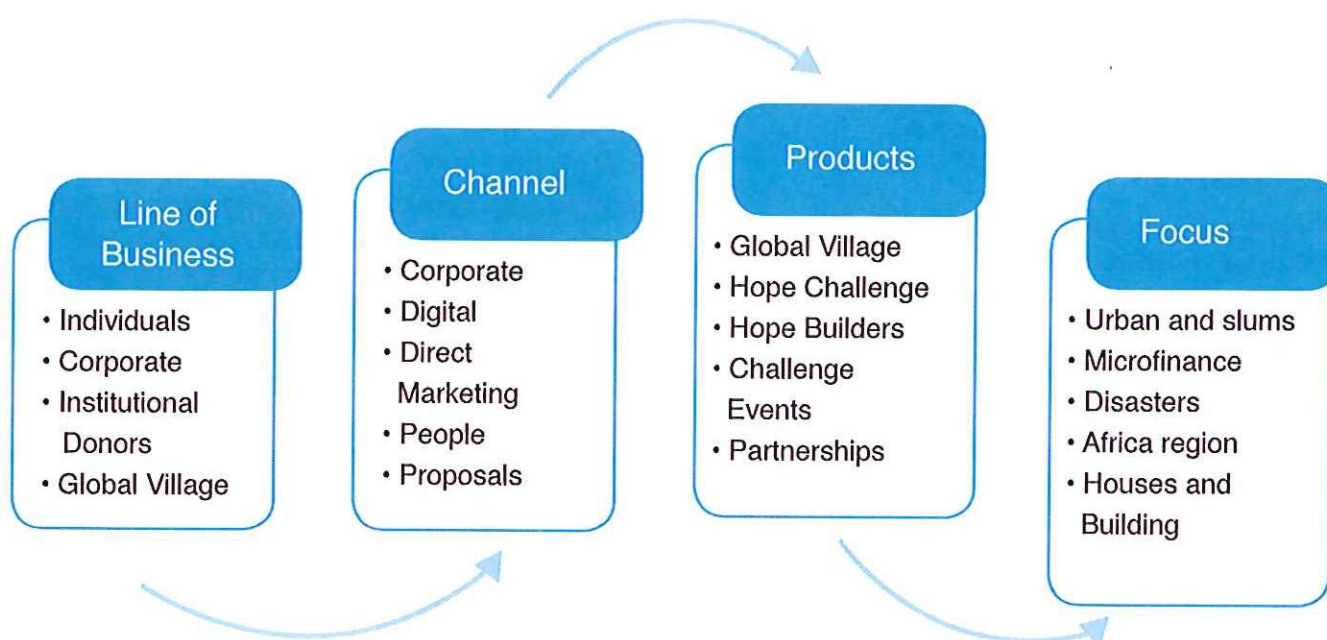
Focus Areas

1. Urban/ slum work – including the India project
2. Finance – microfinance and livelihoods
3. DR3 – resilience and insurance
4. Africa
5. Home & building, including the domestic programme

Products

1. Volunteering – both Global Village and local volunteering in Great Britain
2. Hope Challenge – strong engagement tool for corporates and construction sector
3. Hope Builders – sector based strategy
4. Challenge events – to provide fundraising platforms for individuals and corporates
5. Unrestricted and restricted funding partnerships

Fundraising Focus via channels and focus areas





Prospects - mapping journeys with tactics and timelines

Our four core fundraising channels are individual giving, corporates, institutional/ foundations, and Global Village. In each area, we are reviewing supporter journeys: frameworks of options and opportunities which connect us to our supporters and ensure we meet their needs.

Communications

Our communications work will be closely linked to our fundraising. We do not have the capacity to develop a broad-based communications strategy at this time. Our donor communications will focus on the themes set out above and on newsworthy developments from around the Habitat for Humanity world. At the heart of our communications is a website which is going from strength to strength. We are determined to develop a 'digital first' mentality across the whole of HFGHB and to drive traffic to our site by developing strong and relevant content.

Measuring achievement

Our financial goals are linked to a set of Financial Indicators which was presented to our Board in May 2016. We use these Financial Indicators to track three measures:

- contributions to the global network.
- percentage of income spent on fundraising and administration
- ratio of unrestricted and restricted funds.

We also have a series of KPIs for each Line of Business which reflect a focussed approach to growing impact in that area.

Structure, governance and management

The trustees recruit new members to the Board in accordance with the needs of the charity. Nominations are voted on by the full Board. New members are provided with information on the organisation and with a personal briefing from the Chief Executive. All trustees are encouraged to join Global Village build trips in order to familiarise themselves with the overseas operational work of the global Habitat for Humanity federation.

In the year in question, the Trustees resigned as Members of the Charitable Company and Habitat for Humanity International was appointed as the sole member of the company. There is currently no fixed term for Trustees but this is under review by the Board.

Day to day operation of HFHGB is delegated to the Chief Executive Officer, Meryl Davies. She was appointed in November 2015. Her Senior Team is made up of Jakub Piasecki, Head of Finance, appointed March 2015; Tum Kazunga, Head of Income Generation, appointed May 2016; and Manuela Campbell, Head of Supporter Services, appointed January 2016. In the year in question, Lizzie Babister served as Programme Director. She resigned in September 2016.

The organisation is a charitable company limited by guarantee, incorporated on the 18th of January 1995 and registered as a charity on 25th of January 1995.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 7 to the accounts.

Related parties and relationships with other organisations

HFHGB (Homes) took on the role of managing and developing all domestic building projects in Great Britain in 2012. HFHGB (Homes) is acting as a subsidiary of HFHGB. However, it remains a separate charity with its distinct set of charitable objectives. The consolidated Group financials present the combined income, expenditure and funds for both HFHGB and HFHGB (Homes) net of intra-group transactions.

During the year HFHGB continued receiving significant support from Habitat for Humanity International. Details of the related party transactions are disclosed in note 19 to the accounts.

Grant making policy

We make payments to other HFH entities in Great Britain and overseas. These payments are made from both restricted and unrestricted funds generated within Great Britain. These organisations have aims consistent with our charitable objectives.

In respect of grants to overseas projects, we transfer funds directly to other HFH organisations. Authorisation processes involve the area office of Europe, Middle East and Africa (EMEA) and that of the recipient HFH organisation. We also manage the monitoring and reporting of project funding in liaison with, and supported by, HFHI area offices relevant to where funding is directed. Partnership Agreements are established between HFHGB and the implementing organisation for all major projects. The viability and standing of all recipient HFH organisations are reviewed before making grants, and throughout the project cycle by means of our monitoring role.

In addition to controls in place within the HFHI network, all grant payments are subject to internal financial controls and HFHGB transfer policies. This helps to ensure an appropriate level of management control is exerted over grants made from unrestricted and restricted funds.

Remuneration policy for key management personnel

HFHGB is acutely aware of the need to be accountable to our supporters and those we serve through our programmatic work. We set competitive salaries which ensures we can attract and retain the best qualified staff who will make the most effective use of resources. We regularly review the ratio of funds spent on staff in the UK to funds spent on programmatic work to ensure that our approach is appropriate and effective.

The Executive Committee of the Board determines the remuneration package of the Chief Executive by consulting relevant experts and reviewing organisations of similar size.

The Executive Committee works with the Chief Executive to:

1. review staff salaries and ensure amendments are appropriate for HFHGB salaries to remain competitive.
2. approve the annual percentage increase in the payroll for all staff (which can be zero) taking into account RPI as at 31 December for the previous year.
3. approve any consolidated pay awards and staff salary increases outside of the annual review process as recommended from time to time by the Chief Executive.
4. determine pension arrangements.
5. ensure that contractual terms on termination are fair to the individual and the charity.
6. ensure that poor performance is not rewarded, and
7. ensure that a duty to mitigate loss is recognised.

Employee information

HFHGB is committed to developing a strong and loyal staff which is actively engaged in the work of the organisation. In the course of the year we have developed policies for staff which clarify flexible working and travel. We hold quarterly team development days and monthly team meetings where all members of staff are encouraged to present on their work. We have ensured that staff have had the opportunity for continued professional development by funding attendance on training courses for the majority of staff in the last year.

Statement of responsibilities of the trustees

The trustees (who are also directors of HFHGB for the purposes of company law) are responsible for preparing the trustees' annual report including the 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company or 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 Charities SORP 2015 (FRS 102)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

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

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The company has no share capital and is limited by guarantee. The member's liability is limited to a maximum of £1.

Auditors

Wilkins Kennedy LLP were appointed as auditors during the year and, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

The trustees' annual report which includes the strategic report has been approved by the trustees on 20 December 2016 and signed on their behalf by



Mr Stewart Baseley
Chairman

Independent Auditor's Report to the members of Habitat for Humanity Great Britain

We have audited the financial statements of Habitat for Humanity Great Britain for the year ended 30 June 2016) which comprise the Consolidated Statement of Financial Activities (incorporating an income and expenditure account), the Group and the Parent Charitable Company Balance Sheets, the Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 23, 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.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 30 June 2016, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report (including the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Wilkins Kennedy LLP
Paul Creasey

Senior Statutory Auditor
for and on behalf of Wilkins Kennedy LLP
Statutory Auditor, Chartered Accountants
Egham

Date: 20 December 2016

Wilkins Kennedy LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Consolidated statement of financial activities
(incorporating an income and expenditure account)
For the year ended 30 June 2016

		2016			2015		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Notes	£	£	£	£	£	£
INCOME FROM:							
Donations and legacies	2	825,761	354,476	1,180,237	742,771	801,087	1,543,858
Charitable activities							
Disaster Risk Reduction and Response	3	-	409,746	409,746	-	376,967	376,967
International Development	3	-	500,072	500,072	-	600,912	600,912
International Volunteering	3	343,704	-	343,704	282,674	-	282,674
HFHGB Homes	3	947,740	-	947,740	289,542	-	289,542
Investments		903	-	903	1,883	-	1,883
Other Income	4	24,230	285	24,515	189,438	-	189,438
Total Income		2,142,338	1,264,579	3,406,917	1,506,308	1,778,966	3,285,274
EXPENDITURE ON:							
Raising funds	5	261,050	8,080	269,130	312,664	97,517	410,181
Charitable activities							
Disaster Risk Reduction and Response	5	17,960	263,604	281,564	65,253	479,500	544,753
International Development	5	183,158	520,015	703,173	117,706	997,526	1,115,232
International Volunteering	5	355,049	3,804	358,853	574,786	56,786	631,572
HFHGB Homes	5	1,019,981	97,250	1,117,231	403,839	249,170	653,009
Total expenditure		1,837,198	892,753	2,729,951	1,474,248	1,880,499	3,354,747
Net Income / (expenditure) for the year		305,140	371,826	676,966	32,060	(101,534)	(69,474)
Transfers between funds		(15,067)	15,067	-	(4,686)	4,686	-
Net movement in funds		290,073	386,893	676,966	27,374	(96,848)	(69,474)
Reconciliation of funds:							
Funds brought forward as previously reported		1,295,434	772,084	2,067,518	1,219,640	916,482	2,136,122
Prior period adjustment	24	-	-	-	48,420	(47,550)	870
Revised funds brought forward		1,295,434	772,084	2,067,518	1,268,060	868,932	2,136,992
Total funds carried forward		1,585,507	1,158,977	2,744,484	1,295,434	772,084	2,067,518

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 10 to the financial statements.

Balance sheets As at 30 June 2016

	Notes	The Group		The Charity	
		2016	2015	2016	2015
		£	£	£	£
FIXED ASSETS:					
Tangible assets	11	687,258	599,296	7,087	10,493
Programme related investments	16	376,441	430,889	-	-
		1,063,699	1,030,185	7,087	10,493
CURRENT ASSETS:					
Debtors	12	318,817	155,586	57,148	75,999
Cash at bank and in hand		1,760,588	1,171,747	1,587,606	934,912
		2,079,405	1,327,332	1,644,754	1,010,911
LIABILITIES:					
Creditors: amounts falling due within one year	13	268,228	290,000	192,956	239,565
Net current assets		1,811,177	1,037,332	1,451,798	771,346
Creditors: Amounts falling due after more than one year	14	130,392	-	-	-
Total net assets		2,744,484	2,067,518	1,458,885	781,839
FUNDS:					
Restricted income funds	10	1,158,977	772,084	1,120,283	748,782
Unrestricted income funds	10	1,585,507	1,295,433	338,602	33,057
Total funds		2,744,484	2,067,518	1,458,885	781,839

The Financial Statements were approved and authorised for issue by the trustees on 20 December 2016 and signed on their behalf by:



Stewart Baseley
Director, Chairman



Gordon Holmes
Director, Honorary Treasurer

Consolidated statement of cash flows For the year ended 30 June 2016

	2016	2015
	£	£
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net cash provided by operating activities (see note below)	367,182	(286,951)
CASH FLOW FROM INVESTING ACTIVITIES:		
Dividends, interest and rents from investments	903	1,883
Purchase of fixed assets	(21,499)	(59,756)
Proceeds from sale of investments	-	187,141
Repayments of investments	54,448	73,546
Net cash provided by investing activities	33,852	202,814
CASH FLOW FROM FINANCING ACTIVITIES:		
Financing costs	(2,188)	-
Cash inflows from new borrowing	142,000	-
Net cash provided by / (used in) financing activities	139,812	-
Change in cash and cash equivalents in the year	540,846	(84,136)
Cash and cash equivalents at the beginning of the year	1,171,747	1,247,682
Change in cash and cash equivalents due to exchange rate movements	47,995	8,201
Cash and cash equivalents at the end of the year	1,760,588	1,171,747
RECONCILIATION OF NET INCOME / (EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES	2016	2015
	£	£
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	676,966	(69,474)
Depreciation charges	118,795	109,588
(Gains)/losses on investments	-	(187,141)
Dividends, interest and rent from investments	(903)	(1,883)
Interest paid	2,188	-
Increase (Decrease) in stocks	(185,258)	-
Foreign exchange loss/(gain)	(47,995)	(8,201)
(Increase)/decrease in debtors	(163,232)	38,820
Increase/(decrease) in creditors	(33,379)	(168,659)
Net cash provided by / (used in) operating activities	367,182	(286,951)

All cash and cash equivalents at 30 June 2016 and 30 June 2015 we held as cash at bank and in hand.

Notes to the Financial Statements

1. Accounting Policies

a) Basis of preparation

Habitat for Humanity Great Britain is a charitable company limited by guarantee, registered in England and Wales. The registered office is disclosed on page 3. 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. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary HFHGB (Homes) on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities for the charitable company itself is presented in note 25.

b) Reconciliation with previously Generally Accepted Accounting Practice (GAAP)

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. The transition date was 1 July 2014.

On transition to FRS102 the charitable company has taken advantage of the transitional relief not to apply section 19 'Business Combinations and Goodwill' to acquisitions that were effected before the date of transition to FRS102.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income from charitable activities includes income from restricted grants, received contractual arrangements and from performance-related grants which have conditions that specify the provision of particular goods or services to be provided by the charity.

Grants listed under income from charitable activities are undertaken for the charitable purposes of the charity. Income related to International Volunteering is included within the income from charitable activities as HFHGB recognises the obligation to provide volunteer placements upon meeting of fundraising targets by volunteer teams.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity 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 charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity 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.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met. Income raised by HFHGB (Homes) is retained by the subsidiary and used to further its charitable objects.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution. On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

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

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

i) Expenditure and irrecoverable VAT

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

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services, advocacy and awareness raising undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity. The support and governance costs of the subsidiary are allocated directly to the HFH (Homes) charitable activity in the consolidated accounts and therefore no other costs are allocated here.

• Cost of Generating Funds	27.71%
• Disaster Risk Reduction and Response	12.53%
• International Development	18.11%
• International Volunteering	41.65%
• HFH Homes	0%

Fundraising and promotion costs are apportioned between fundraising and charitable activities either directly or on the basis of the content percentage, measured in the number of pages, occupied by each activity. Website and other digital publicity costs are apportioned based on the website content percentage, measured in the number of pages, occupied by each activity. The average

allocations for publicity materials, website and digital are:

• Cost of Generating Funds	27%
• Disaster Risk Reduction and Response	8%
• International Development	40.5%
• International Volunteering	24.5%
• HFH Homes	0%

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease. Lease incentives are recognised over the lease term on a straight line basis.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

• Furniture and Fixtures	10 years
• Computers and IT equipment	3 years
• Other equipment	5 years
• Short Term Leasehold Properties	Over Life of Lease

m) Short Term Leases

As part of the empty homes projects, HFHGB (Homes) enters into short term leases with either the local authority or housing association to enable the charity to generate rental income which will fund the cost of the renovation. The cost of the renovation are capitalised and depreciated over the life of the lease to the extent that future rental income will be received. Where the renovation expenditure is funded from grant income, the expenditure is charged to the statement of financial activities.

n) Grant making

Grants payable to other HFH entities are recognised as expenditure when payment is due, in accordance with the terms of the contract (Grant Funded Activities Agreement or Term Sheet). Grant payments that are subject to the recipient fulfilling performance conditions are only accrued when any remaining unfulfilled conditions are outside of the control of HFHGB. For contracts in place at the year-end that include payments to be made in future years, the total of these payments is disclosed in Note 6 to the accounts as future transfers for which the conditions have not been met at the year-end.

o) Investments in subsidiaries

Investments in subsidiaries are at cost.

p) Debtors

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

q) Cash at bank and in hand

Cash at bank and cash 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. Cash balances exclude any funds held on behalf of service users.

r) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The charity 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.

s) Employee benefits

Short term employee benefits (including holiday entitlement and other non-monetary benefits) and contributions to defined plans are recognised as an expenses in the period in which they are incurred.

The company recognises an accrual for accumulated annual leave accrued by employees as a result of service rendered in the current period for which employees can carry forward and use within the next year. The accrual is measure at the salary costs of the respective employee in relation to the period of absence.

t) Pensions

HFHGB offers a Group Personal Pension defined contributions scheme to all staff. In line with the relevant staging date, from February 2017, HFHGB will implement a scheme which meets the workplace pension scheme auto enrolment requirements.

u) Foreign currencies

HFHGB holds funds in GBP and USD. The value of USD account balance in GBP is stated as per FOREX rate on 30 June 2016.

v) Programme related investments

Programme related investments are stated at cost price at the balance sheet date.

w) Financial instruments

The Group only has financial assets and liabilities of a kind that qualify as basic financial instruments. These are initially recognised at transaction value and subsequently valued at their settlement value.

x) Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on a continuing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key judgements and sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below:

- Timing of income recognition
- Carrying value of programme related investments
- Carrying value of short term leasehold properties used as part of the empty homes projects

2. Income from donations and legacies

			2016	2015
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Individuals	189,655	32,090	221,745	333,052
Churches & Civic Groups	6,334	291	6,625	59,705
Companies and Employee Fundraising	198,329	168,233	366,562	352,710
Foundations, Organisations and Institutions	20,620	37,900	58,520	181,873
Legacies	177,806	-	177,806	14,055
HFHI transfers	144,075	115,962	260,037	524,485
Gifts in Kind	50,000	-	50,000	25,820
Gift Aid recovered	38,942	-	38,942	52,158
	825,761	354,476	1,180,237	1,543,858

Gifts in kind relate to office rental services donated in the year by Construction Industry Solutions Limited (COINS). Larry Sullivan who is a Director of HFHGB is also the Chairman of COINS.

3. Income from charitable activities

			2016	2015
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Jersey Overseas Aid Commission	-	200,000	200,000	219,087
Sailors Society	-	130,000	130,000	99,815
Christian Aid	-	50,651	50,651	38,639
Other	-	29,095	29,095	19,426
Sub-total for Disaster Risk Reduction and Response	-	409,746	409,746	376,967
DFID	-	100,000	100,000	203,868
Embrace the Middle East	-	86,207	86,207	82,659
Towerbrook Foundation	-	40,000	40,000	100,463
Guernsey Overseas Aid Commission	-	35,360	35,360	60,000
Other	-	238,505	238,505	153,922
Sub-total for International Development	-	500,072	500,072	600,912
Corporate teams	233,769	-	233,769	144,421
Schools teams	25,632	-	25,632	43,120
Open teams	84,303	-	84,303	95,133
Sub-total for International Volunteering	343,704	-	343,704	282,674
Rental Income	140,886	-	140,886	135,116
Volunteer Facilitation Grants	-	-	-	-
Bloomberg	153,000	-	153,000	-
Other	16,691	-	16,691	44,108
Professional Fees	145,874	-	145,874	39,668
Contract Works	491,289	-	491,289	70,650
Sub-total for HFHGB (HOMES)	947,740	-	947,740	289,542
Total income from charitable activities	1,291,444	909,818	2,201,262	1,550,095

Income from charitable activities includes restricted grants by donor over £30,000. 'Other' includes smaller grants.

4. Other income

			2016	2015
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Gain on sale of HFHGB Homes mortgaged property	-	-	-	187,141
Other income	24,230	285	24,515	2,297
Total other income	24,230	285	24,515	189,438

5. Analysis of expenditure

	Charitable activities						2016	2015	Basis of allocation
	Cost of raising funds	Disaster Risk Reduction and Response	International Development	International Volunteering	HFHGB Homes	Support and governance costs	Total	Total	
	£	£	£	£	£	£	£	£	
Staff costs	127,327	44,704	92,337	81,528	240,183	199,870	785,949	879,111	Staff time and cost
Recruitment costs	-	1,186	-	-	-	3,923	5,109	47,283	Direct
Training	-	-	-	-	-	2,090	2,090	11,886	Direct
Consultancy costs	1,074	29,631	5,085	1,636	-	25,555	62,981	64,579	Direct
Grants to HFH Projects	-	142,641	480,784	45,605	-	-	669,030	1,327,315	Direct
Grants returned	-	-	-	-	-	-	-	-	Direct
International Project expenses	-	4,225	14,182	97,789	-	-	116,196	150,496	Direct
Domestic project expenses	-	-	-	-	607,773	-	607,773	227,251	Direct
Project depreciation	-	-	-	-	114,402	-	114,402	105,250	Direct
Fundraising and promotions	26,165	2,304	6,001	9,178	-	-	43,648	110,756	Direct and content %
Office costs	15,020	4,945	10,099	16,270	36,615	18,150	101,099	201,321	Direct
Travel costs	5,757	4,216	954	1,562	-	13,494	25,983	62,542	Direct
Audit and accountancy	-	-	-	2,520	4,772	28,902	36,194	31,598	Direct
Legal and professional	-	-	-	-	110,655	20,794	131,449	70,770	Direct
Bad debt expense	-	-	-	-	-	-	-	4,984	Direct
Other expenses	14,286	8,690	11,456	13,602	-	21,344	69,378	21,112	Direct
Foreign exchange loss / (gain)	-	-	-	-	643	(48,638)	(47,995)	(8,201)	Direct
Bank charges and interest	195	24	25	212	2,188	4,021	6,665	7,274	Direct
Exceptional costs	-	-	-	-	-	-	-	39,421	Direct
Support and governance costs	79,306	38,998	82,250	88,951	-	(289,505)	-	-	Staff time
Total expenditure 2016	269,130	281,564	703,173	358,853	1,117,231	-	2,729,951	3,354,747	

Total expenditure includes:	2016	2015
	£	£
Depreciation	118,795	109,588
Auditors' remuneration (excluding VAT)	16,272	20,838
Foreign exchange (gains) or losses	(47,995)	(8,201)

6. Grants for HFH projects

All transfers were made to the national HFH organisations except marked * where the transfers were made to HFHI as the entity managing the funds on behalf of the country organisation.

				2016	2015
	Disaster Risk Reduction and Response	International Development	International Volunteering	Total	Total
	£	£	£	£	£
Bangladesh	96,637	20,000	-	116,637	145,317
Bolivia	-	-	-	-	80,090
Brazil	-	-	-	-	88,519
Cambodia	-	112,236	-	112,236	155,222
Cote D'Ivoire	-	10,000	-	10,000	-
Egypt*	-	62,500	-	62,500	62,493
Ethiopia	-	13,600	-	13,600	35,051
Haiti	-	-	-	-	100,000
India	-	-	-	-	29,972
Kenya	-	-	-	-	33,691
Lebanon	-	227,088	-	227,088	161,428
Madagascar	-	-	-	-	1,894
Macedonia*	10,913	-	-	10,913	-
Malawi	-	35,360	4,320	39,680	28,525
Nepal*	32,191	-	-	32,191	33,958
Philippines	2,900	-	5,000	7,900	233,208
Romania	-	-	25,085	25,085	25,607
Thailand	-	-	6,000	6,000	-
South Africa	-	-	-	-	11,440
Sri Lanka	-	-	-	-	14,536
Tanzania	-	-	-	-	17,192
Uganda	-	-	-	-	4,680
USA	-	-	-	-	30,000
Zambia	-	-	5,200	5,200	21,538
Zanzibar	-	-	-	-	12,954
Total	142,641	480,784	45,605	669,030	1,327,315

As at 30 June 2016 HFHGB was committed to future transfers of £905,252 to other HFH entities, £665,889 of which were yet to be received from the donors. As at 30 June 2016 grant conditions for transfers have not been met for these future transfers.

7. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	2016	2015
	£	£
Staff costs were as follows:		
Salaries and wages	706,733	755,638
Redundancy and termination costs	10,952	40,000
Social security costs	68,965	74,850
Employer's contribution to defined contribution pension schemes	9,320	7,130
Contract labour	1,115	41,774
Stipends	-	10,861
	797,085	930,253

£11,135 of HFHGB Homes staff costs were capitalised as part of Investment in Leasehold properties (2015: £11,720).

No employee earned more than £60,000 during the year (2015: nil).

The total employee benefits including pension contributions of the key management personnel were £265,704 (2015: £328,177).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2015: £nil). No charity trustee received payment for professional or other services supplied to the charity (2015: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £116 (2015: £73) relating to attendance at meetings of the trustees.

During the year HFHGB made exgratia payments of £4,375. These are included in the Redundancy and termination costs.

8. Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2016	2015
	No.	No.
Raising funds	2.4	2.4
Disaster Risk Reduction and Response	1.2	1.1
International Development	2.5	1.6
International Volunteering	2.7	3.6
HFHGB Homes	8.0	8.0
Governance	0.7	1.2
Support	3.9	6.1
	21.4	24.0

9. Analysis of group net assets between funds

			2016	2015
	General unrestricted	Restricted funds	Total funds	Total funds
	£	£	£	£
Tangible fixed assets	687,258	-	687,258	599,296
Investment properties	376,441	-	376,441	430,889
Net current assets	652,200	1,164,977	1,811,177	1,037,333
Long term liabilities	(130,392)	-	(130,392)	-
Net assets at the end of the year	1,585,507	1,164,977	2,744,484	2,067,518

10. Movements in funds

	At the start of the year	Incoming resources & gains	Outgoing resources & losses	Transfers	At the end of the year
	£	£	£	£	£
RESTRICTED FUNDS:					
HFHGB					
Grants over £30,000					
JOAC: Bangladesh PASSA & WASH	-	100,000	(50,000)	-	50,000
JOAC: Sri Lanka WASH	-	100,000	-	-	100,000
Embrace the Middle East: Egypt Better Future	12,489	50,000	(62,500)	-	(11)
Towerbrook Foundation: Cambodia New Start New Life	89,890	-	(89,890)	-	-
IIED: Urban Crises Learning Partnership	-	200,000	(46,986)	-	153,014
Touchstone: Malawi Housing for Orphans and Vulnerable Groups	-	35,360	(35,360)	-	-
DFID: Bolivia Women's Land Rights	-528	-	-	528	-
JOAC: Bangladesh Community Based Disaster Risk Mitigation	-	-	(2,864)	2,864	-
JOAC: Bangladesh PASSA	49,501	-	(46,637)	-2,864	-
GOAC: Bangladesh Enhanced Water Sanitation and Hygiene	-	20,000	(20,000)	-	-
GOAC: Cote D'Ivoire WASH	-	20,000	(10,000)	-	10,000
Embrace the Middle East: Lebanon Shelter and Security	16,329	16,330	(16,330)	-16,329	-
Embrace: Shelter & Security (Lebanon)	-16,329	16,329	(16,329)	16,329	-
Christian Aid: Philippines Typhoon Haiyan disaster relief	4,981	-	-	-	4,981
Smaller Grants	-395	347,799	(268,847)	335	78,892
Domestic Projects	3,111	1,532	(643)	-	4,000
HFHI investments (restricted donations)	-1,028	116,247	(11,539)	-	103,680
Non-reportable donors (restricted donations)	590,761	128,983	(118,221)	14,203	615,727
Sub-total for HFHGB	748,782	1,152,580	(796,146)	15,067	1,120,283
HFHGB (Homes)					
Grants over £30,000					
DCLG Empty Homes Grant	9,302	-	(9,302)	-	-
Bank of America	-	75,557	(44,863)	-	30,694
Smaller Grants	14,000	36,442	(42,442)	-	8,000
Sub-total for HFHGB Homes	23,302	111,999	(96,607)	-	38,694
Total restricted funds	772,084	1,264,579	(892,753)	15,067	1,158,977
Unrestricted funds:					
HFHGB					
General unrestricted funds	33,057	1,107,763	(787,151)	(15,067)	338,602
HFHGB (Homes)					
General unrestricted funds	1,262,377	1,034,575	(1,050,047)	-	1,246,905
Total unrestricted funds	1,295,434	2,142,338	(1,837,198)	(15,067)	1,585,507
Total funds	2,067,518	3,406,917	(2,729,951)	-	2,744,484

Movements in funds - Continued

Grants over £30,000 include multi-year grants; value in the financial year may be lower. 'Domestic Projects' include grants and donations received by HFHGB and restricted to HFHGB (Homes). 'HFHI Investment' include funds received by HFHGB and restricted to specific overhead expenditure in HFHGB funded by HFHI. 'Non-reportable donors' include donations restricted to specific countries, themes, or projects.

Transfer between Embrace the Middle East and JOAC funds relate to changes in project funding allocations agreed by the respective donors. Transfers from General unrestricted funds to Non-reportable donor funds of £14,203 relate to a decrease in estimated future overhead recoveries. Remaining transfers relate to restricted fund deficits being covered from Unrestricted funds upon projects completion.

11. Tangible fixed assets

	The Group					The Charity		
	Assets under Construction	Short Term Leasehold Properties	Office, Land & Buildings	Plant & machinery	Fixtures, fittings & equipment	Total	Fixtures, fittings & equipment	Total
	£	£	£	£	£	£	£	£
COST								
At the start of the year	-	745,856	30,160	10,522	16,413	802,951	16,413	16,413
Additions in year	185,258	19,876	-	636	987	206,757	987	987
At the end of the year	185,258	765,732	30,160	11,158	17,400	1,009,706	17,400	17,400
DEPRECIATION								
At the start of the year	-	186,497	1,020	10,218	5,920	203,655	5,920	5,920
Charge for the year	-	113,923	102	377	4,393	118,795	4,393	4,393
At the end of the year	-	300,420	1,122	10,595	10,313	322,450	10,313	10,313
Net book value At the end of the year	185,258	465,312	29,038	563	7,087	687,258	687,258	7,087
At the start of the year	-	559,359	29,140	304	10,493	599,296	10,493	10,493

Assets under construction comprise Short Term Leasehold properties that have not been let by the group as at 30 June 2016.

12. Debtors

	The Group		The Charity	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	75,998	53,975	-	-
Other debtors	205,766	81,039	43,094	60,372
Prepayments	18,830	18,732	14,054	15,627
VAT	18,223	1,840	-	-
	318,817	155,586	57,148	75,999

13. Creditors: amounts falling due within one year

	2016	2015	2016	2015
	£	£	£	£
Trade creditors	61,976	39,919	16,278	10,086
Taxation and social security	23,878	17,841	16,278	9,922
Deferred income	53,078	166,244	53,078	166,244
Accruals	114,824	65,996	104,458	53,313
Loans	11,608	-	-	-
Other creditors	2,864	-	2,864	-
	268,228	290,000	192,956	239,565

14. Creditors: amounts falling due after more than one year

	2016	2015	2016	2015
	£	£	£	£
Loans: balance repayable in 1-5 years	55,589	-	-	-
Loans: balance repayable in more than 5 years	74,803	-	-	-
	130,392	-	-	-

All Creditors: Amounts falling due after more than one year relate to a loan taken by HFHGB Homes to finance charitable building projects. The loan is secured against the assets of HFHGB (Homes) under a fixed and floating charge. The loan is repayable in monthly instalments of £1,485 which include interest charged at rate of 3.75% pa. The term of the loan is 9.5 years from the date of drawdown of the loan.

15. Deferred income

	2016	2015	2016	2015
	£	£	£	£
Balance at the beginning of the year	166,244	347,146	166,244	347,146
Amount released to income in the year	(156,657)	(236,034)	(156,657)	(236,034)
Amount deferred in the year	43,491	55,132	43,491	55,132
Balance at the end of the year	53,078	166,244	53,078	166,244

Deferred income comprises a grant of £29,860 not allocated as at 30 June due to continuing discussions with the donor regarding the project they want to support, sponsorship funds relating to a June 2017 event of £10,000, HFHI investments of £9,887, and a direct debits run on 31 June and relating to July of £3,331.

16. Financial Instruments

	The Group		The Charity	
	2016	2015	2016	2015
	£	£	£	£
FINANCIAL ASSETS				
Debt instruments measured at amortised cost:				
Programme related investments	376,441	430,889	-	-
Trade debtors	75,998	53,975	-	-
Other debtors	205,766	81,038	43,094	60,372
	658,205	565,902	43,094	60,372
FINANCIAL LIABILITIES				
Measured at amortised cost				
Trade creditors	61,976	39,919	16,278	10,086
Loans	142,000	-	-	-
Other creditors	2,864	-	2,864	-
	206,840	39,919	19,142	10,086

17. Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2016	2015	2016	2015
	£	£	£	£
Less than one year	-	15,375	2,692	2,912
One to five years	-	-	2,771	-
	-	15,375	5,463	2,912

18. Programme Related Investments

	2016	2015
COST OR VALUATION	£	£
At 1st July 2015	430,889	504,435
Additional Loans in Year	-	-
Repayments	(54,448)	(73,546)
At 30th June 2016	376,441	430,889
Repayable within one year	55,175	49,875
Repayable in more than one year	321,266	381,014
	376,441	430,889

The values stated relate to houses built by HFHGB (Homes) in partnership with low income families which have been sold at cost price with interest free mortgages. This core activity involves the charity disposing of assets at less than market value, requiring permission from the Charity Commission. The Charity Commission has cleared the way for HFHGB (Homes) to sell houses without further reference to the Commission.

19. Related Party Transactions

During the year Habitat for Humanity International made significant unrestricted support to HFHGB as shown in the table below. HFHI also made a restricted investment of £103,680 in a planned ReStore retail initiative. None of these funds were spent in the year. This and other restricted HFHI investments are shown in note 10. HFHGB remains an independent UK charity controlled by the Directors/Trustees.

	£
Deferred Revenue at 1 July 2015	166,244
Cash Receipts during the year	176,161
Income Recognised during the year	(332,518)
Deferred Revenue at 30 June 2016	9,887

20. Capital commitments

At the balance sheet date, the group had no capital commitments (2015: None).

21. Contingent assets or liabilities

There were no contingent liabilities as at 30 June 2016 (2015: None).

22. Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

23. Subsidiary details

HFHGB (Homes), Registered Office: 93 Gordon Road, London, SE15 3RR, Registered Company No: 03155218, Registered Charity No: 1053213, is a wholly controlled subsidiary of HFHGB. HFHGB (Homes) total income for the year was £1,146,574 (2015: £681,885) and total expenditure for the year was £1,146,654 (2015: £687,003). As at 30 June 2016 HFHGB Homes held £38,694 in Restricted Funds (2015: £23,302) and £1,246,905 in Unrestricted Funds (2015: £1,262,377).

24. Prior year adjustments

As part of the transition work consolidation adjustments from years 2012 to 2015 were reviewed. It was identified that movements in funds of the 2015 group brought forward balance relating to funds received by HFHGB as Restricted and by HFHGB (Homes), upon intercompany transfer, as Unrestricted were erroneously adjusted during consolidation, decreasing Group Unrestricted Fund Balance by £48,420 and increasing Group Restricted Fund balance by £47,550. These prior years consolidation adjustments were eliminated from 2015 figures as shown in Prior year adjustment in SOFA. Fund balances of individual charities were not affected by this adjustment.

25. HFHGB Single Charity SOFA

	2016			2015		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
INCOME FROM:						
Donations and legacies	746,559	320,625	1,067,185	723,469	666,048	1,389,517
Charitable activities						
Disaster Risk Reduction and Response	-	409,746	409,746	-	376,967	376,967
International Development	-	500,072	500,072	-	600,912	600,912
International Volunteering	343,704	-	343,704	282,674	-	282,674
HFHGB Homes	-	-	-	-	-	-
Investments	573	-	573	1,139	-	1,139
Other Income	16,927	285	17,212	2,297	-	2,297
Total income	1,107,763	1,230,728	2,338,491	1,009,579	1,643,926	2,653,506
EXPENDITURE ON:						
Raising funds	230,984	8,080	239,064	278,670	97,517	376,187
Charitable activities						
Disaster Risk Reduction and Response	17,960	263,604	281,564	65,253	479,501	544,753
International Development	183,158	520,015	703,173	117,706	997,526	1,115,232
International Volunteering	355,049	3,804	358,853	574,786	56,786	631,572
HFHGB Homes	-	78,792	78,792	(4,828)	54,945	50,117
Other	-	-	-	-	-	-
Total expenditure	787,151	874,295	1,661,446	1,031,587	1,686,275	2,717,862
Net income / (expenditure) before net gains / (losses) on investments	320,612	356,434	677,046	(22,008)	(42,348)	(64,356)
Net income / (expenditure) for the year	320,612	356,434	677,046	(22,008)	(42,348)	(64,356)
Transfers between funds	(15,067)	15,067	-	(4,686)	4,686	-
Net Income / (expenditure) before other recognised gains and losses	305,545	371,501	677,046	(26,694)	(37,662)	(64,356)
Net movement in funds	305,545	371,501	677,046	(26,694)	(37,662)	(64,356)
Reconciliation of funds:						
Total funds brought forward	33,057	748,782	781,839	59,751	786,444	846,195
Total funds carried forward	338,602	1,120,283	1,458,885	33,057	748,782	781,839

