

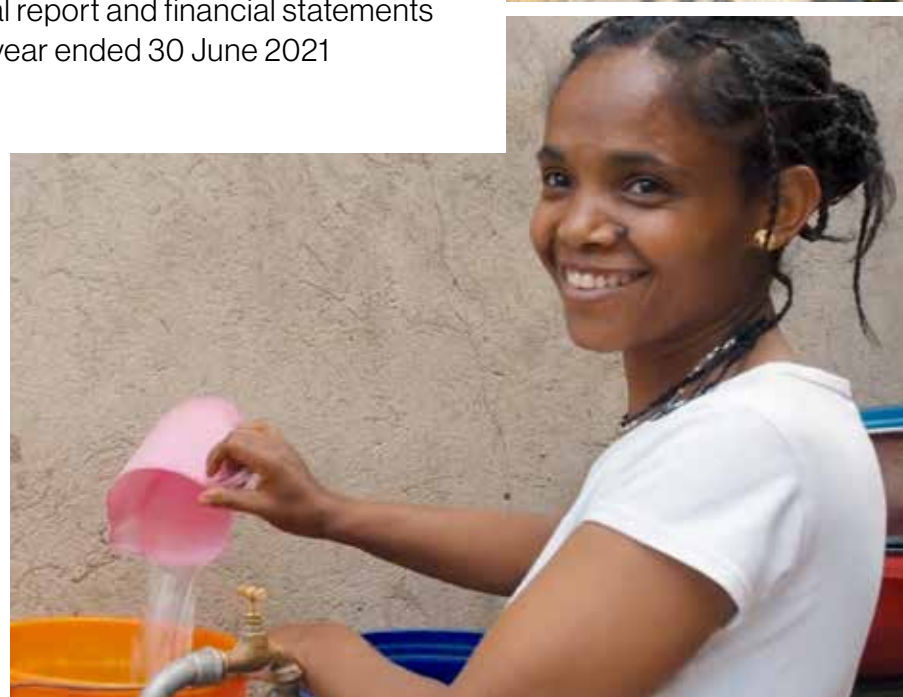


# THEN. NOW. ALWAYS.

PROTECTING LIVES  
THROUGH SHELTER



Trustee's annual report and financial statements  
for the year ended 30 June 2021







# CONTENTS

---

<b>A MESSAGE FROM THE CHAIR AND CEO</b>	4
<b>OBJECTIVES. PURPOSE, KEY ACTIVITIES</b>	6
About us	6
How we spent our money	7
<b>ACHIEVEMENTS AND PERFORMANCE</b>	8
Our impact in 2020/21	8
Our year	10
Surviving and thriving: our year in stories	11
Transforming communities in Ethiopia	12
Unlocking potential through clean water in Malawi	14
Helping Lebanon rebuild after disaster	15
Battling the wave in India	16
<b>FUNDRAISING, CAMPAIGNING, AND VOLUNTEERING</b>	18
Fundraising	18
Campaigning	20
Our work in Britain	20
Future plans	22
<b>STRUCTURE AND GOVERNANCE</b>	24
Trustee recruitment	24
Related parties	26
Management and employees	26
<b>FINANCIAL REVIEW</b>	28
<b>STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES</b>	36
<b>AUDITOR'S REPORT</b>	38
<b>ACCOUNTS</b>	42
<b>REFERENCE AND ADMINISTRATIVE INFORMATION</b>	64



# A MESSAGE FROM OUR CHAIR AND CEO



## Welcome to our annual report for 2020/2021.

As COVID-19 continues to impact the world and our work on the ground, we are proud to report that despite these challenges, we managed to increase our support to those who need our help most. Thanks to our partners and supporters, we were able to grow our impact over the past year and help over 240,000 people in 11 countries better withstand the impact of COVID-19, recover from disasters, access housing, and improve the places they call home.

As you'll read in this report, this work ranged from supporting the people of Beirut recover from an unprecedented disaster, helping our colleagues in India build COVID-19 care centres,

and continuing our key programmes in Malawi and Ethiopia. As our work in Great Britain demonstrates, the demand for decent housing is not bound by geography, and so we also continued to develop our 'Empty Spaces to Homes' programme in the London Borough of Barking and Dagenham, as well as seeking new sites in Scotland in which to launch this project further across Great Britain.

**Of course, much of this impact is only possible due to the donations we receive from our supporters, large and small, who continue to put their faith in our work.**

This support is delivering positive change on the ground, and we are so grateful - thank you.

Generating income remains a challenge, but with new investments in staff and the hopeful resumption of our volunteering programme, as well as new projects and partnerships, we remain resilient and look forward to implementing our new growth and impact strategy.

On behalf of the entire team, we extend our thanks to our partners on the ground, who continue to work in tough circumstances to deliver change to communities across the world.

Their service and steadfast dedication in these tough times continues to inspire us to carry on building a world where everyone can achieve strength and stability through shelter.



Nicola Barclay - Chair



Tum Kazunga - CEO

## Some of our achievements in 2020/21 included:



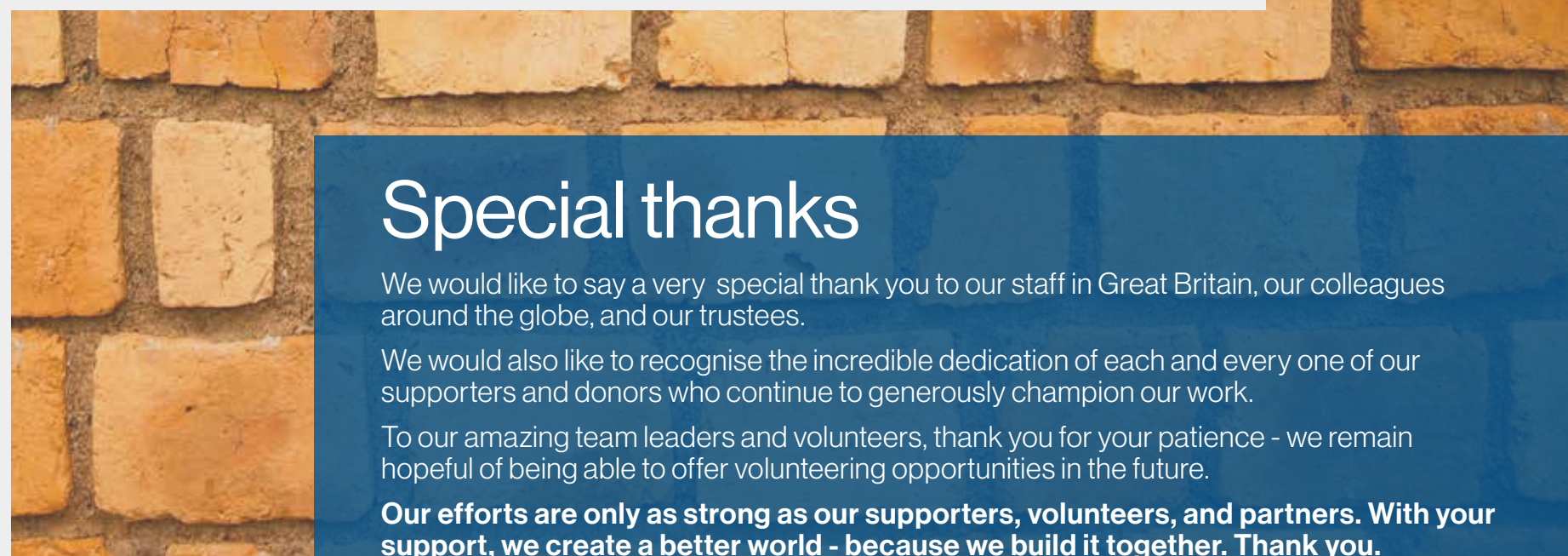
Providing communities with clean water in Malawi



Building and improving homes in Ethiopia



Equipping COVID-19 care centres in India



## Special thanks

We would like to say a very special thank you to our staff in Great Britain, our colleagues around the globe, and our trustees.

We would also like to recognise the incredible dedication of each and every one of our supporters and donors who continue to generously champion our work.

To our amazing team leaders and volunteers, thank you for your patience - we remain hopeful of being able to offer volunteering opportunities in the future.

**Our efforts are only as strong as our supporters, volunteers, and partners. With your support, we create a better world - because we build it together. Thank you.**



# OBJECTIVES, PURPOSE & KEY ACTIVITIES

## About us

Our vision is of a world where everyone has a decent place to live.

Our principal objective is to alleviate poverty by helping people who live in substandard housing access better living conditions.

We believe that a home is so much more than just a roof and four walls. It also means access to clean water and sanitation, security of tenure, and opportunities to grow a livelihood.

When this is in place, a home gives a family dignity, comfort and security, and a future they can shape for themselves. It gives children a safe place where they can study and play.

Home is more than just a place to live – it's central to all aspects of life.

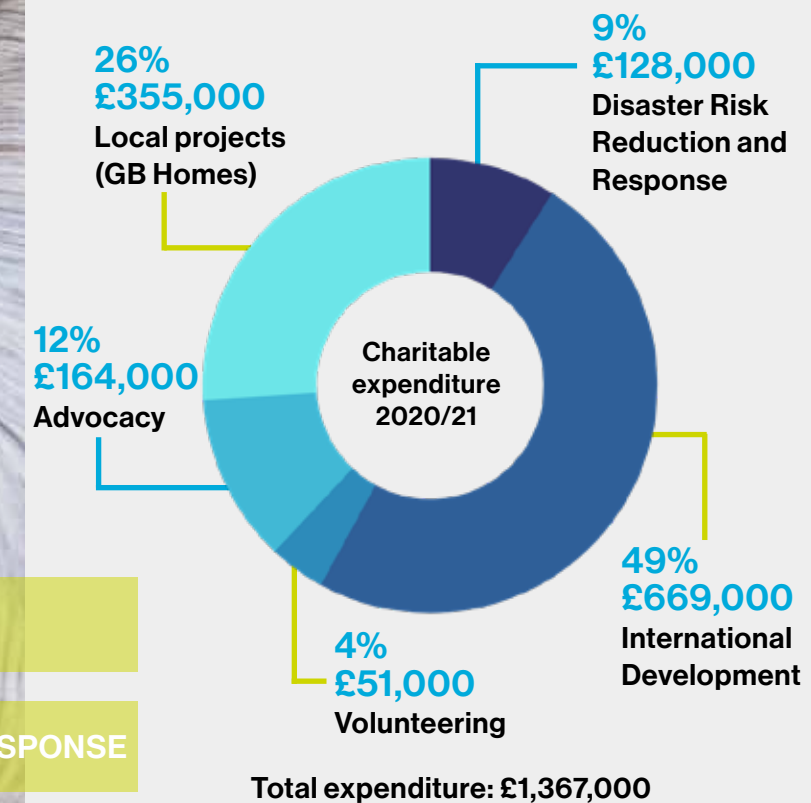
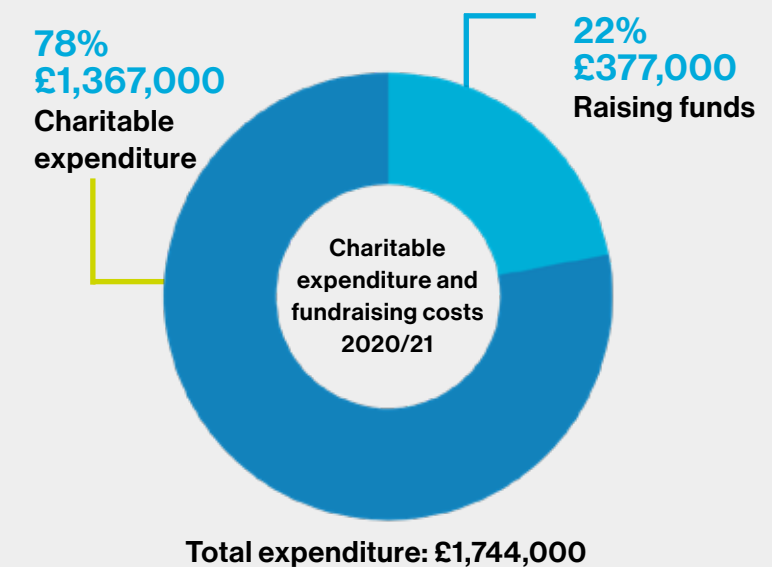
The work carried out by Habitat for Humanity Great Britain is done so in accordance with the charity's purpose, for the public benefit with regard to the Charity Commission's public benefit guidance, and in accordance with the general framework for trustee decision-making.

We are a member of Habitat for Humanity International, a federated global housing charity that works in over 60 countries.

This year the charity as a whole helped 4.2 million people build or improve their homes and another 8.5 million through advocacy and training.



## How we spent our money



## Our values



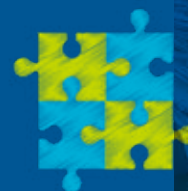
**WE PUT BELIEF INTO ACTION**  
with courage, passion, and drive, we find practical solutions



**WE BELIEVE IN ACCOUNTABILITY**  
we treat every partner with transparency and honesty



**WE BELIEVE IN SELF-RELIANCE**  
we place integrity and mutual respect at the heart of everything we do



**WE BELIEVE IN COLLABORATION**  
we deliver on our mission through partnership



**WE BELIEVE IN CONTINUOUS IMPROVEMENT**  
we focus on learning, sustainability, and innovation to exceed expectations

## Key activities

INTERNATIONAL DEVELOPMENT

DISASTER RISK REDUCTION AND RESPONSE

ADVOCACY

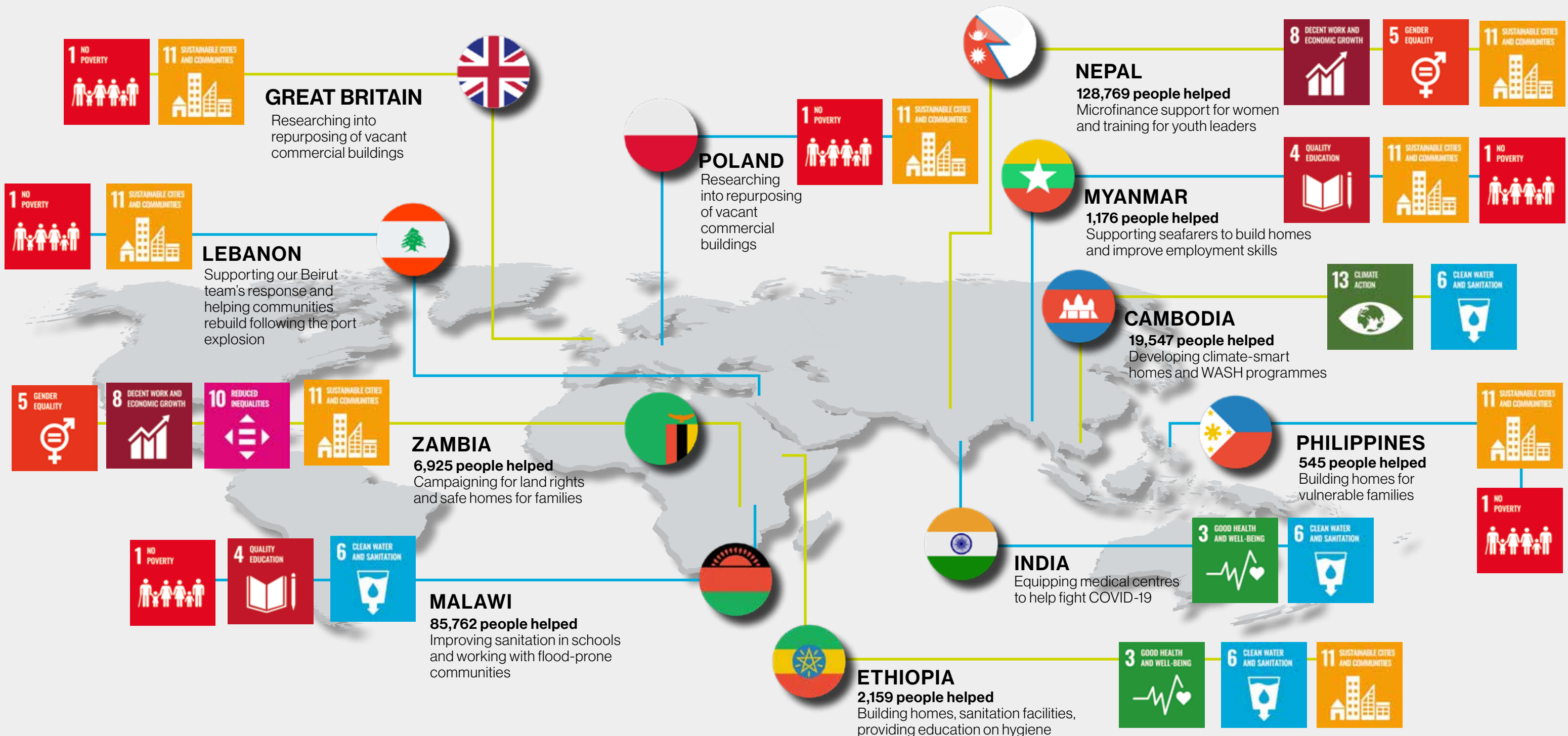
LOCAL PROJECTS IN GREAT BRITAIN



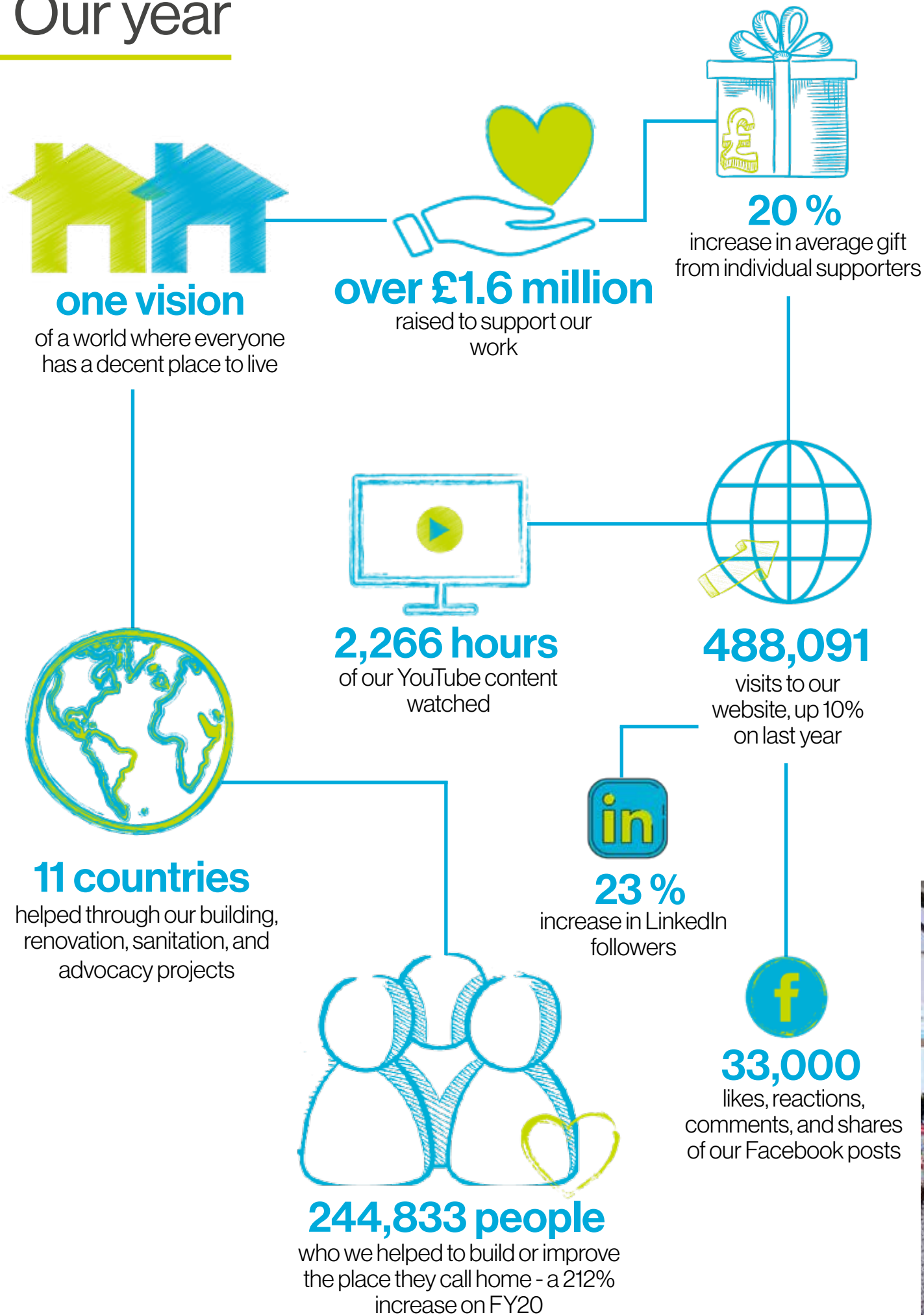
# ACHIEVEMENTS AND PERFORMANCE

Our projects contribute to the United Nation's Sustainable Development Goals (SDGs). The goals recognise, that ending poverty must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth - an ethos at the heart of Habitat for Humanity's work since our founding over 40 years ago.

## Our impact in 2020/21



# Our year



# SURVIVING AND THRIVING

## Our year in stories



The impact of a safe decent home is undeniable. Since the outbreak of the COVID-19 pandemic, this has never been more apparent. From Ethiopia to Myanmar; Malawi to India, our projects around the world have always focused on standing with the most vulnerable communities and working with them to find the best solutions for their housing needs.

The COVID-19 pandemic is an unprecedented time in our history. The impact on health, economy, and society - every aspect of our lives - is immeasurable. It is a crisis that affects us all.

### But what does this mean for families who don't have a safe and healthy home to shelter in?

Most of the communities we work with simply do not have the resources available to them to effectively combat the virus. Inadequate housing conditions threaten to greatly aggravate the health crisis with many people not being able to physically distance themselves from others.

At Habitat for Humanity Great Britain, we are incredibly proud that our housing and clean water programmes have thankfully been protecting families from disease long before the pandemic struck, standing many families in the best possible stead of staying safe and healthy.

And our work continued at pace through 2020/21 as we continued our commitment to provide protection through shelter, equip communities with clean water, help emergency COVID-19 response efforts, and deliver assistance in the wake of emergency disasters.



We share stories from our global work through newsletters, appeals, and monthly e-communications to our supporters, as well as via our social media platforms. This year, we also launched a quarterly email newsletter to our corporate supporters.



# Transforming communities in Ethiopia



Our work in Addis Ababa focuses on water, sanitation, and hygiene (WASH) interventions. We are also working on urban slum upgrading projects, assisting vulnerable groups with home construction and renovation work and tenure security.

The vast majority of people in Ethiopia live in poorly built, dilapidated, and cramped houses which lack even basic facilities such as toilets, water, and sewer lines.

We help families to break the cycle of poverty by constructing solid waste management systems, toilets, and water supply systems.

We also support wider communities with communal stand water and toilets, large water

service systems such as spring development, construction of service reservoirs, pumping systems, and the installation of main water lines for wider area coverage.

These construction activities are supported by hygiene training which is also provided for families, schools, and communities.

We believe that our WASH programmes are essential in turning houses into decent homes and schools into healthy environments where children can begin to really thrive.

This year alone we've helped 2,100 people through our housing and health projects in Addis Ababa, and a further 59 people via a pilot project in Bahir Dal and Kolomba.

We would like to thank the supporters of our work in Ethiopia, particularly the *COINS Foundation* for their incredible generosity.



70% of people in Ethiopia have no access to adequate sanitation. In the slums 24% of households do not have any form of toilet facility.



Only 30% of the country's housing stock is in a fair condition, with 70% in need of total replacement



In the capital, Addis Ababa, 80% of the population live in slums in poorly built, dilapidated, and cramped houses



51% of the population in Ethiopia has no access to access to safe drinking water



MY CHILDREN ARE HAPPY AND SETTLED IN OUR NEW HOME

"We didn't have a toilet or kitchen in my previous house. The house would also flood easily. I don't want my children to suffer as I have. I pray they have a better future. They are happy in our new home and I am thankful that we are all healthy". ~ *Getu*



THE CLEAN WATER HELPS TO KEEP US SAFE AND HEALTHY

"In our school, the water was very dirty, we couldn't drink it. There was a shortage of toilets too. Thanks to Habitat for Humanity, we now have clean water and toilets to help keep us safe. I want my school to be the best in Addis Ababa!" ~ *student, Omelda School*



WE'LL BE SAFER FROM VIRUSES AND BACTERIA NOW

"My previous house wasn't habitable, it was dirty. The walls weren't thick enough to protect us from the cold. In our new house we'll be safer from bacteria and viruses. Living in a clean home is the most delightful thing. It will change our lives". ~ *Workitu*





# Unlocking potential through clean water in Malawi

Malawi is one of the poorest countries in the world. In the Chikwawa District, access to clean water and sanitation is limited with only 55% of the rural population having access to safe drinking water.

Water, sanitation, and hygiene (WASH) in schools significantly contributes to the quality of education. Without clean water for hand-washing and drinking, children may miss school due to sickness, and in the case of young girls, feel embarrassed if menstrual hygiene facilities are poor, causing them to miss school days each month.

**Globally, illnesses due to contaminated water cause children to lose 443 million school days each year.**

This can then lead to poor performance at school, damaging future education and career prospects. Provision of WASH in schools helps alleviate problems of girls' absenteeism from school and improves gender equality.

Not only have we worked to deliver safe, clean drinking water and decent toilet blocks with hygiene facilities, but we have also provided training to groups of girls, mothers, and teachers at the school on how to make reusable sanitary pads.

Additionally, we have also established 'water point committees' in the local communities to manage the maintenance of the water points and enact by-laws aimed at safeguarding the water points.

Through this comprehensive approach, our project is protecting lives and providing communities in the Chikwawa District with the hand-up to unlock school children's potential.

## I CAN EASILY GET TO THE TOILET IN MY WHEELCHAIR NOW

"The new latrines which Habitat for Humanity has constructed at our school are a very big relief to me as a student who is physically challenged. Classmates used to have to help me use the toilet or I would have to travel home to use the bathroom. Now I can easily get to the toilet in my wheelchair. Even when I am inside the latrine, I do not need anyone to support me as was the case before. This is because the latrines have special railings which I am able to hold while I get off the wheelchair. I no longer have to travel home during lessons to use the toilet which is helping me to concentrate better on my studies". ~ Esnart, a student at Liworo primary school in the Chikwawa District



...to this



From this...



Through our work with schools in Malawi, which has been funded by *Jersey Overseas Aid*, we have so far improved the learning environment for 11,141 school students in 10 primary schools throughout the Chikwawa District. Additionally, we have improved access to clean water for a further 13,500 people through our community water points.

# Helping Lebanon rebuild after disaster

On 4 August 2020, a large amount of ammonium nitrate stored at the port of the city in Beirut, the capital of Lebanon, exploded causing over 200 deaths, 7,500 injuries, and an estimated £11 million of property damage, leaving over 300,000 people homeless.

Lebanon is facing a multi-faceted crisis, and the COVID-19 pandemic has complicated matters further. Economic and political chaos sent poverty levels up and placed extreme pressure on vulnerable families struggling to secure food, water, electricity, and healthcare.

We were able to respond rapidly to the devastating explosion with support backed by our long-term partner *Miller Homes*.

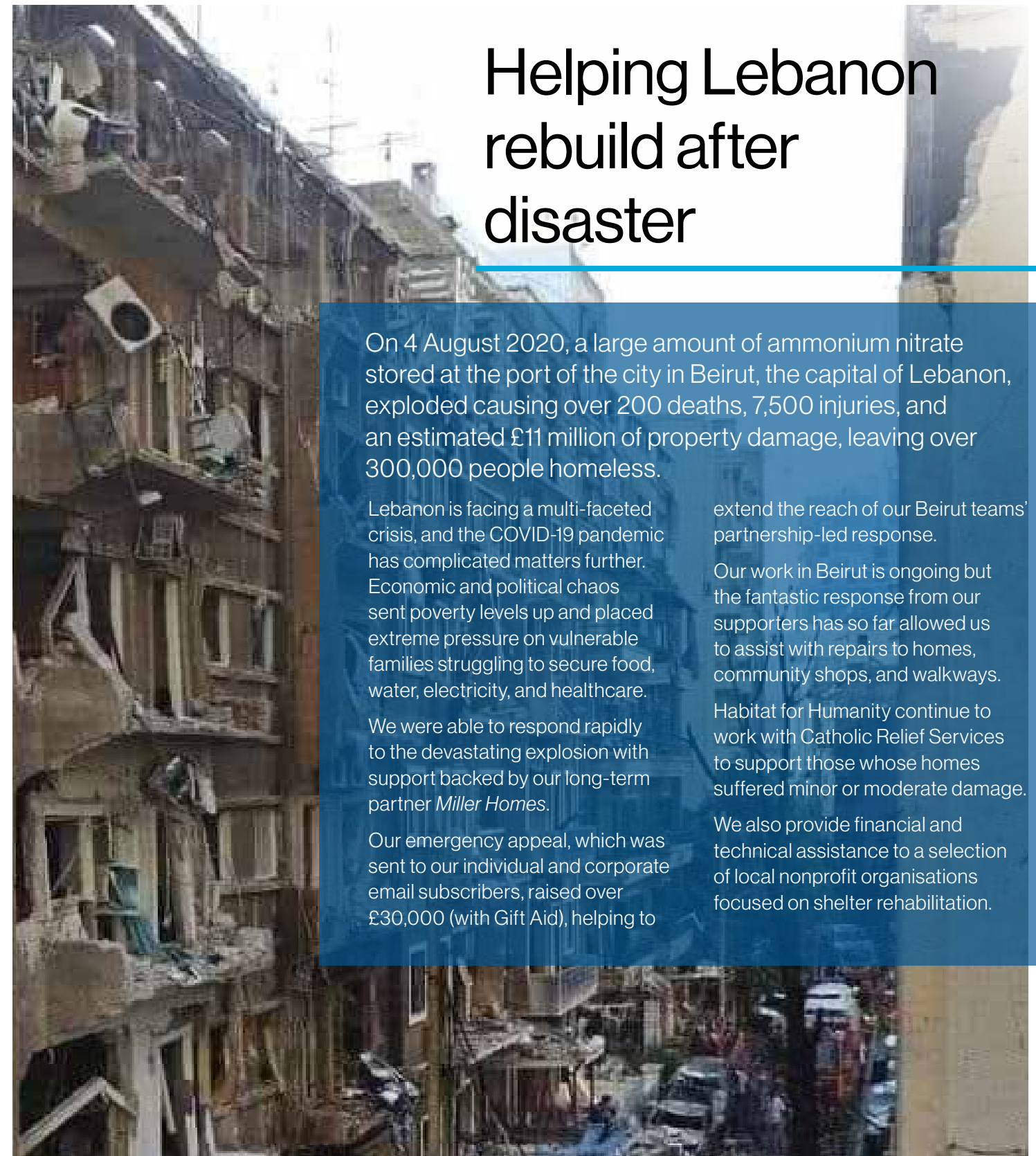
Our emergency appeal, which was sent to our individual and corporate email subscribers, raised over £30,000 (with Gift Aid), helping to

extend the reach of our Beirut teams' partnership-led response.

Our work in Beirut is ongoing but the fantastic response from our supporters has so far allowed us to assist with repairs to homes, community shops, and walkways.

Habitat for Humanity continue to work with Catholic Relief Services to support those whose homes suffered minor or moderate damage.

We also provide financial and technical assistance to a selection of local nonprofit organisations focused on shelter rehabilitation.



## WHEN THE EXPLOSION HAPPENED, I FELT AS IF MY SOUL HAD BEEN BLOWN OUT OF MY BODY



"I was walking home from work when I heard the explosion. It felt like an earthquake. I turned my back to the sound and closed my eyes. I felt as if my soul had been blown out of my body. When I got home, my door was broken, as well as my windows, stove, and washing machine. All my cupboards were hanging off their hinges. Today, my windows and doors are fixed, the plumbing in the kitchen and bathroom has been repaired, and I have a water heater too. The team did their work with so much dedication - it was as if they were repairing their own homes. Many organisations surveyed the area, all promising to come back. No-one did, except you". ~ Deebah, a resident of the Burj Hammoud district of Beirut speaking about Habitat for Humanity and Catholic Relief Services who joined forces to repair homes following the blast.



# Battling the wave in India



Since the outbreak of COVID-19, countries with high poverty rates such as India have been at risk of the disease spreading as there is a staggering need for homes and proper sanitation.

According to the UN, more than half of the population of India are forced to go to the toilet in the open.

In the slum areas, toilet blocks do exist, but they are often dirty, poorly maintained and putting families at a constant high risk of Coronavirus and other infectious diseases.

In April 2020, as the second wave began to tear through communities in India, we immediately knew we had to scale up our interventions to help more people in need.

As we watched news unfold of hospitals reaching breaking point and turning

patients desperate for oxygen away, we quickly launched an online emergency appeal in early May.



Working with our colleagues in India, our appeal secured essential funding for the delivery of specialist COVID-19 care centres which would turn underused healthcare and government buildings into functioning medical centres.

To raise funds we trialed a new initiative by establishing a Crowdfunder webpage, as well as contacting our corporate partners who very generously supported the appeal.

We also saw donations from our individual supporters in response to our social media posts and newsletters which covered our response to the soaring cases in India.

This multi-channel approach helped to raise £144,000 (with approximately 60% of the funds raised being received in FY21).



India holds the second highest COVID-19 death toll in the world and has reported over 32 million cases

Thanks to the generosity of our supporters, Habitat for Humanity Great Britain have fully-funded and equipped five care centres in:



Our 'COVID-19 Care Centres' are designed to help treat milder cases of coronavirus and reduce pressure on India's struggling healthcare system.

Our funding has provided oxygen systems, drinking water, hygiene facilities, beds, and sufficient Personal Protective Equipment (PPE) for health workers.

By boosting existing medical infrastructure in this way, we are helping to support vulnerable people with places to receive medical attention, as well as keeping families safe by helping to prevent transmission.

Where possible, our COVID-19 care centres will remain in place after the pandemic

eases, strengthening the healthcare system for India's future.

We are, of course, continuing to work with communities across India to deliver long-term housing support, as well as supporting the ongoing COVID-19 response efforts into the next financial year.

During the first wave of the COVID-19 pandemic, Habitat for Humanity teams were able to help 1.6 million people in India through our care centres, and emergency hygiene and food kits. In total, Habitat for Humanity teams have delivered 16 COVID-19 Care Centres in 8 cities, including Maharashtra, Bangalore, Kerala, and Delhi, with the capacity to serve approx. 1,975 people at any one time. More than 4,000 people have already been served.





# FUNDRAISING, CAMPAIGNING, AND VOLUNTEERING



We are extremely grateful to the corporate partners, trusts, foundations, individual donors and volunteers who continued to support and work alongside us throughout FY21.

The Charity's income during 2020/21 was down by 35% to £1,684,000 from £2,597,000 in 2019/20. This was due to the ongoing impact of the COVID-19 pandemic which caused major disruption to our fundraising programme.

## Fundraising

### INDIVIDUAL GIVING & LEGACIES

Despite fears that our income from individuals would be severely impacted by the economic impact of the COVID-19 pandemic, our individual supporters continued to generously support our work.

We are immensely grateful to all our individual supporters and legacy donors who raised over £300,000 in 2020/21.

FY21 began with a busy period of supporter communications focused around a digital fundraising campaign comprising of web articles, email appeals, social media posts, and e-newsletters.

Throughout FY21, our online communications have helped us to raise vital income through a challenging time when sending postal communications was impractical due to lockdown restrictions and we will be continuing to invest in digital fundraising.



We were delighted that the *COINS Foundation* continued their fantastic partnership with us by offering a match-funding incentive for our Christmas Appeal which again proved hugely popular with our donors who generously supported the appeal with an average gift of £54.

### VOLUNTEERING

Our volunteering programme remained on hold throughout 2020/21 and saw an income decrease of 93% to £18,000 from £293,000 in 2019/20. We will continue to monitor the viability of recommencing the programme when possible.

### CORPORATE PARTNERSHIPS, TRUSTS, AND FOUNDATIONS

In FY21, Habitat for Humanity GB continued to strengthen our partnerships with the UK private sector, worked to extend the reach of Habitat International partners through local support, and secured a transformational new partnership with *M&G*.

The new partnership with *M&G* aims to introduce a critical component of homelessness prevention and reach more than 250,000 individuals.

To achieve our vision, we aim to build an innovative and lasting coalition to bring non-traditional housing and homelessness prevention solutions to the market across Europe. In its first year this partnership has:

- Commissioned headline research which helped demonstrate that there is potential to create up to 20,000 homes from the empty and vacant spaces belonging to local authorities in the UK, and a further 165,000 from spaces which are privately owned. Similar research is currently being undertaken in Poland.
- Invested in Empty Spaces to Homes pilot projects in London, Barking and Dagenham and Warsaw, Poland, with properties and partnerships looking to be secured for a third site in Scotland
- Brought together a coalition of 12 initial partners to develop a toolkit and raise awareness to encourage the adoption of our model



Our partnership with *Lloyds of London* entered its second and final year, continuing to fund a feasibility study aiming to demonstrate the socio-economic barriers preventing communities in disaster prone zones seeking alternative locations. Through the partnership we are also advocating for the building of more disaster resilient housing in flood prone communities in Malawi and infrastructure through the construction of *Rescue and Resource* centres, and training in participatory approaches to safe shelter awareness.

Our team also launched a new quarterly corporate newsletter highlighting our partnership impact, stories of inspiring employees going the extra mile to fundraise or volunteer, and sharing upcoming opportunities to be involved in our seasonal fundraising campaigns.

Additionally, we worked closely with corporate partners to launch appeals in response to the Beirut port explosion and the escalating COVID-19 crisis in India.



# Campaigning

Our campaign work and advocacy initiatives advance systemic approaches to ensure that everyone's right to access decent, affordable housing becomes a reality. Our strategy includes influencing public opinion and encouraging decision-makers to adopt policies and practices that shape housing and communities.

A key part of our campaigning work in FY21 focused on working with vulnerable communities in Zambia. Habitat for Humanity Great Britain, in partnership with Habitat for Humanity Zambia, the Zambia Land Alliance, and Bauleni United Sports Academy, continued to deliver our Solid Ground campaign which entered the third year of this four year project.

Despite the impact of the COVID-19 pandemic, we have continued to make massive strides in improving the lives of almost 7,000 individuals through this campaign alone.



### PROMOTING FINANCIAL LITERACY THROUGH SPORT

In coordination with local leaders, we trained workers to run study groups and sports teams. Football matches and annual tournaments provide a fantastic forum through which we can promote financial literacy and land rights, as well as encouraging young people to join study and savings groups.



### PROVIDING LEARNING OPPORTUNITIES FOR WOMEN

Our advocacy work in Zambia teaches vulnerable families about their rights to land. Half the workforce in Zambia comprises of women and yet they own only 15% of agricultural land. To address this, we focused on supporting women through land rights and financial training.



### TEACHING COMMUNITIES HOW TO IMPROVE THEIR HOMES

We rolled out a Participatory Approach for Safe Shelter Awareness (PASSA) project which resulted in 295 community members physically improving their homes, and another 600 trained with detailed plans for future home improvements.

### I'M HAPPY THAT I HAVE SECURED THE LAND FOR MY CHILDREN

"During the funeral of my beloved husband, I had to deal with the issues of our children's upkeep and schoolwork, and most importantly securing a place to stay. I heard about the Solid Ground project in Makulul and joined one of the study circle groups to learn how to get an occupancy licence for the land. Although the process took a long time, it eventually paid off. I'm now happy that I have secured the land for my children. It is important that the women in the community help and protect each other and their children from the inequalities of the law and society. Now the land is mine, I plan to construct another house and rent it out to raise funds for my children's school fees." - *Tasila, a beneficiary of our Solid Ground advocacy work*

# Our work in Britain

We have continued to run a programme in Great Britain. This is focused around our campaign to convert empty spaces into homes. Following a successful pilot with a local authority in East London, we have an approved pipeline of three projects which will provide homes for 11 young people and the opportunity to develop further projects with the Local Authority.

The year under review for HFHGB (Homes) was again impacted by the COVID-19 pandemic and losses increased from £35k in year ending 30th June 2021 to £54k.

This is partially due to the cost of staff changes necessitated by the effects of the pandemic and the need to account for annual leave, which relates to the furlough scheme. There was no volunteering on site during the year, which is one of the programme's key drivers of funding and the limited volunteering opportunities HFHGB (Homes) were able to host focussed on the donation of professional services.

Looking forwards, HFHGB (Homes) have developed a healthy pipeline of projects and are now hosting volunteers who are helping to create homes for vulnerable people.



**The Solid Ground project will continue to build on all that it's accomplished in the past three years, by empowering and teaching the men and women alike to be financially literate, and know and secure their land and property rights.**



# Future plans

Whilst the COVID-19 pandemic caused major disruption to our planned fundraising and programme activities, we achieved and surpassed many objectives throughout 2020/21.

We are committed to raising funds for impactful programmes.

As we respond to the long-term impact of the pandemic, we are working to expand our team with a view to doubling our income over the next three years.

We have exciting plans to drive growth across many areas of our team, including digital, corporates, and major donors.



## NEW STRATEGIC DIRECTION

We are working towards a phased plan of growth from 2020 through to 2022/23. We are constantly monitoring and evaluating this to ensure we invest in areas which can ultimately have the greatest impact for our beneficiaries



## VOLUNTEERING

Our international volunteering programme is likely to be on-hold as we move through our coming financial year. However, we will be continuing to explore volunteering opportunities within Britain.



## IMPACTFUL TEAM

With investment from Habitat for Humanity International, we are very excited to be expanding our team to recruit new team members to further our ambitious plans for growth.



## DIGITAL FUNDRAISING

As we move into 2021/22, we will be launching a refreshed digital communications strategy with the aims of acquiring new supporters and retaining existing donors.

With traditional acquisition rendered challenging and costly under General Data Protection Regulations (GDPR), we see great potential in the digital fundraising space to explore new opportunities for development.

Through investment in a new digital fundraising product, we aim to secure long-term engagement from online followers to facilitate raising unrestricted income and increasing our brand awareness in Britain.

Our overall ambitions for the investment are to increase our social media followings, secure new subscribers to our e-communications programme, grow our engagement rates on social media platforms, and increase new traffic to our website.

## TRANSFORMATIONAL PARTNERSHIPS

We recognise that funding from key partners has huge potential to accelerate our impact. With this in mind, we will continue to build upon the successes of our partnerships with institutions and corporates.

Recruitment of a new Head of Corporate Fundraising (in Feb 2022) will allow us further opportunity to pursue and engage with potential new partners.

Additionally, the recruitment of a new Head of Trusts, Foundations, and Philanthropy (in Jan 2022) will allow us to develop and implement plans to transform our fundraising from major donors, trusts, and foundations.



# STRUCTURE AND GOVERNANCE

We believe that home is so much more than just a roof and four walls. It gives a family dignity, comfort, security, and a future they can shape for themselves. It protects from disease and supports the health of communities. It gives children a safe place where they can study and play. Home is more than just a place to live, it's central to all aspects of life.

## Our Purpose

Our principal purpose is to alleviate poverty by helping people who live in substandard housing access decent, affordable homes.

**Across the world, two billion people live without a decent shelter. Our mission is to do everything we can do address this and support people into decent housing where they can thrive with dignity, security, and resilience.**

The work carried out by Habitat for Humanity Great Britain is done so in accordance with the Charity's purpose, for the public benefit with regard to the Charity Commission's public benefit guidance and in accordance with the general framework for trustee decision-making.

## Trustee recruitment

Our 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.

When possible, trustees are encouraged to join Global Village build trips to familiarise themselves with the overseas operational work of the global Habitat for Humanity network, though currently all

international volunteering trips are paused due to the pandemic.

Trustees can serve a maximum of three terms of three years.

The day-to-day operation of Habitat for Humanity GB is delegated to the Chief Executive Officer, Tum Kazunga, who was appointed in March 2018, and the Senior Leadership Team.

The organisation is a charitable company limited by



guarantee, incorporated on 18th January 1995 and registered as a charity on 25th 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

Habitat for Humanity GB (Homes) took on the role of managing and developing all domestic building projects in Great Britain in 2012. Habitat for Humanity GB (Homes) is a subsidiary of Habitat for Humanity GB. 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 Habitat for Humanity GB and Habitat for Humanity GB (Homes) net of intra-group transactions.

Habitat for Humanity GB is a member of the Habitat for Humanity International network which has its headquarters in Atlanta, Georgia, USA. Details of the related party transactions are disclosed in Note 17 to the accounts.

# Management and employees

Habitat for Humanity GB is committed to developing a strong and loyal staff who are engaged in the work of the organisation.

We hold weekly team meetings where all members of staff are encouraged to present an update on their progress.

We ensure that staff have the opportunity for continued professional development by creating personal

development plans and funding relevant training and learning opportunities.

The Senior Leadership Team are responsible for the day to day management of the Charity. They meet every week by video conference call and review the management accounts and cash flow monthly.



**Habitat for Humanity Great Britain is a member of the Habitat for Humanity International network which has its headquarters in Atlanta, Georgia, USA.**



# FINANCIAL REVIEW

Financial data in this section relates to the consolidated accounts of the Charity and Habitat for Humanity GB (Homes), unless otherwise indicated.

## Charitable income

Income from:	2021	2020
	Total £	Total £
Donations and legacies	520,500	940,060
Charitable activities		
Disaster risk reduction & response	211,449	300,000
Advocacy	301,000	-
International Development	405,856	664,056
International Volunteering	17,865	292,787
HFHGB (Homes)	227,832	395,847
Investments	53	4,466
Other Income	-	(83)
<b>Total income</b>	<b>1,684,555</b>	<b>2,597,133</b>

Total income for the group in 2020/21 fell by 35% to £1,684,500 (previous year £2,597,100). Charitable activities were the biggest contributors to this income forming 69% of this income, followed by donations and legacies that brought in 31% of the total income.

## Charitable expenditure

Expenditure on:	2021	2020
	Total £	Total £
Raising funds	377,159	442,384
Charitable activities		
Disaster risk reduction & response	128,118	110,973
Advocacy	164,493	-
International Development	668,792	986,136
International Volunteering	50,565	327,007
HFHGB (Homes)	355,362	502,750
<b>Total expenditure</b>	<b>1,744,489</b>	<b>2,369,251</b>

Charitable expenditure for the group in 2020/21 fell by 26% from £2,369,200 to £1,744,500. The most significant drop came from global volunteering which fell by 85% from £327,000 the previous year to £50,600 for 2020/21. This is because our global volunteering programme continues to be adversely affected by the COVID-19 pandemic which has led to the cancellation of all international global volunteering trips.



# Reserves policy

Charity free reserves are the Charity's unrestricted funds that are 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.

The trustees set the target level of reserves for 2020 as six months of the budget for operating costs, which approximately equates to £415,000.

This level of reserves was determined based on consideration of the following:

- The Charity is operating in a constantly changing environment. In particular, the current economic and political environment carries risks which the trustees aim to manage appropriately.
- In the unexpected event that the Charity ceases to operate as a going concern, a minimum of three months of operating costs would be required.
- Habitat for Humanity International's Global Village Contingency Policy assesses the level of risk attached to our volunteer programme. It determines the amount of contingency required in case of civil unrest or natural disasters, or to cover events such as currency fluctuations. The trustees consider Habitat for Humanity GB's target reserves level as sufficient in this context.
- New fundraising opportunities are developing, and the trustees would like to have the ability to invest in building capacity and resources to leverage these.

For the year ended 30th June 2021, the free reserves for the Group are £214,800 (covering 3.1 months). This represents 52% of the recommended £415,000 for the 6 months. This is the amount that would be needed to cover operating costs including staff salaries if the Charity was to run into fundraising and operational difficulties.

Despite the challenging year, management is determined to build up these reserves to the level recommended by the trustees.

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 below that set in the policy, the trustees, in consultation with the management team, will agree a process for restoring them over time.

# Remuneration policy

Habitat for Humanity GB is acutely aware of the need to be accountable to our supporters and ensure our work is managed to the highest standards.

We set competitive salaries which ensure 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 confirm 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 and senior management team to review staff salaries and ensure amendments are appropriate for Habitat for Humanity GB salaries to remain competitive, determine pension arrangements and ensure that

contractual terms on termination are fair to the individual and the Charity.

Further information on our salary payments can be found in on page 56. During the year, the following staff earned more than £60,000.

Year	2021	2020
£60,001 - £70,000	1	1

# Grant-making policy

We make payments to Habitat for Humanity GB (Homes) and to Habitat for Humanity International network members overseas in order to further our charitable activities.

In respect of grants to overseas projects, to ensure transparency and proper use, the transfer authorisation process involves three parties:

Habitat for Humanity GB, the Habitat for Humanity International area office for Europe, Middle East and Africa and the recipient Habitat for Humanity organisation.

Partnership Agreements are established between Habitat for Humanity GB and any implementing partner for all major projects we fund, and the

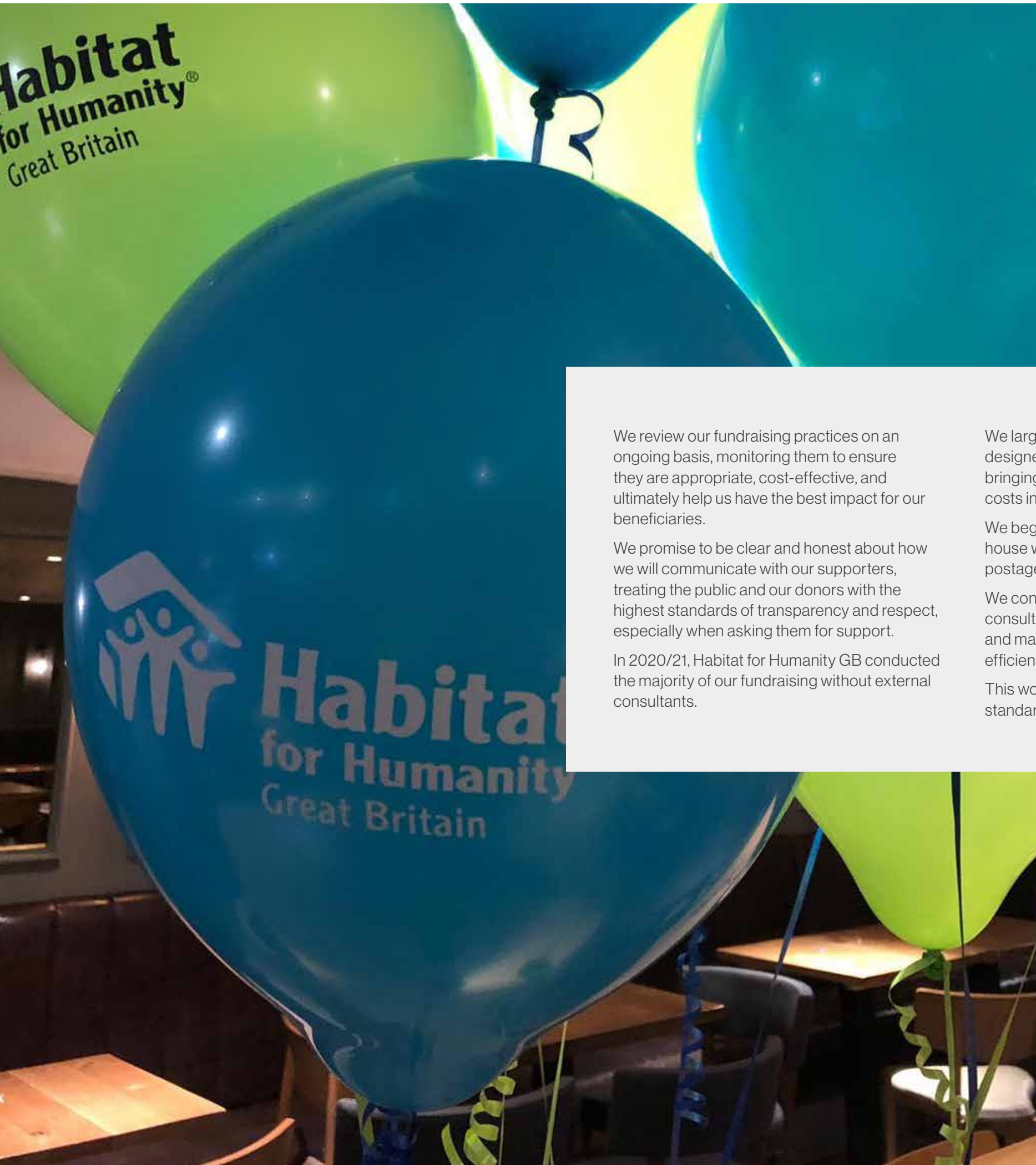
viability and standing of our partner organisations are reviewed during the agreement process and throughout the project cycle by means of our monitoring role.

In addition to controls in place within the Habitat for Humanity International network, all grant payments are subject to internal financial controls and Habitat

for Humanity GB transfer policies.

This helps to ensure an appropriate level of management control is exerted over grants made from unrestricted and restricted funds.





# Our approach to fundraising

Ensuring our fundraising is delivered in accordance with industry standards and codes of practice outlined by the fundraising regulator is an essential part of our approach to fundraising.

Additionally, complete transparency and honesty with our supporters and funding partners is a key part of Habitat for Humanity Great Britain's values and we continually review our approach to ensure we are adhering to best practices.

We review our fundraising practices on an ongoing basis, monitoring them to ensure they are appropriate, cost-effective, and ultimately help us have the best impact for our beneficiaries.

We promise to be clear and honest about how we will communicate with our supporters, treating the public and our donors with the highest standards of transparency and respect, especially when asking them for support.

In 2020/21, Habitat for Humanity GB conducted the majority of our fundraising without external consultants.

We largely moved away from using external designers for our communications collateral, bringing our design work in-house to reduce costs in this area and to allow us more flexibility.

We began working with a new external mailing house who assist us with print, production, and postage of our mailings.

We continued to work with a specialist database consultant to conduct a full audit of our database and make recommendations as to how we can efficiently and accurately manage our data.

This work has allowed us to create a bank of standardised procedures for all staff to follow

and is helping us to maintain a cleaner database.

Our database consultant is also conducting weekly and monthly checks of our database and providing support and training for staff where required.

We began outsourcing website maintenance and technical digital support to a freelance contractor. This is allowing more focus on exploring new digital fundraising innovations with the knowledge that the security and maintenance of our website is being expertly monitored.

All fundraising activity from corporate partners, individual supporters, digital streams, and volunteering is overseen by our Head of Income Generation.

Habitat for Humanity GB is registered with the Fundraising Regulator and is committed to complying with the Fundraising Regulator's Code of Fundraising Practice and Fundraising Promise.

We received one complaint from the public during 2020/21, out of a total of 132,474 communication touchpoints with our supporters.

The one complaint was in regard to a supporter being contacted for a donation, having only just donated. This was due to an overlap of emails during our busy Christmas appeal season. Usually, recent donors are excluded from follow-up reminder emails, but on this occasion donors who gave via the Charities Aid Foundation platform were mistakenly included. An apology letter was immediately sent to the donor and further manual checks are now carried out to ensure recent donors are correctly excluded where appropriate.



# Managing risk and uncertainties

Habitat for Humanity GB operations are inherently risky. Our finances can be easily affected by change in public sentiment and economic performance. Due to the nature of our charitable activities, the work we deliver across the world often takes place in countries that are more prone to environmental, societal, and political risk. To help mitigate these risks, on a periodic basis the trustees review with management the major risks the Charity faces. This is achieved through a risk register review process and through our regular Board and subcommittee meetings.

Some of the key risks we currently face are:

## INCOME GENERATION

COVID-19 remains an issue as we navigate our way out of the pandemic. A key risk continues to be maintaining an adequate level of unrestricted funds. This is monitored quarterly by the trustees and the management team have in place clear plans to help address this risk, including increased investment into both corporate and philanthropy fundraising streams, as well as developing a new trusts, foundations, and major donor strategy. We also continue to test ways of acquiring new individual donors in the most cost effective way, together with improving our cost recovery systems in relation to our programmatic work.

## REPUTATIONAL RISK

One of our most precious assets is our reputation. The Board and management ensure that we have in place policies and process that are explicitly designed to help us deliver our work in a way that ensures the impact our charitable objectives require, as well as to protect our reputation. To mitigate this risk, we prioritise three areas:

1. Financial controls – to properly look after the donations by our supporters and partners.
2. Corporate partners – we partner with companies whose values and behaviours align with our own.
3. Safeguarding processes – to ensure we fulfil all our obligations to beneficiaries, volunteers and the communities where we operate

## VOLUNTEER SAFETY

Obviously, due to COVID-19 restrictions, it has not been possible to facilitate sending teams of volunteers overseas. Under normal circumstances, our volunteer work often entails working in environments, such as building sites, that come with increased risk to personal safety. If our overseas volunteering programme becomes viable again, we will continue to maintain strict health and safety procedures and insurance policies, as well as providing volunteers with comprehensive training before allowing them on site. Our volunteering programme is carefully assessed for risk and our volunteer teams will continue to be led by experienced and well-trained Team Leaders, themselves volunteers, who are rigorously trained in risk management and crisis management.

## THE ECONOMY

The economic effects of the COVID-19 pandemic, continue to be of concern. As for many charities, the health of the economy influences donor behaviour, and individuals tend to give less when concerned about the economy. We continue to monitor the economic situation and watch sector trends for any insights into this.

Our Senior Leadership team closely monitor income throughout the year and reforecast where appropriate.

# Our approach to safeguarding

Habitat for Humanity Great Britain is dedicated to helping individuals and families build strength, stability and self-reliance through safe, decent and affordable housing. In keeping with that commitment, we have no tolerance for sexual exploitation, abuse or harassment.

Nothing is more important than the welfare of our volunteers, our staff and the people our mission calls on us to serve. We work to prevent sexual exploitation, abuse and harassment by adhering to safeguarding policies developed in partnership with Habitat for Humanity International.

Staff and members of the communities where we work are encouraged to report incidents of abuse or harassment, including through our confidential reporting system MySafeWorkplace. Any staff member who files a report or is a witness providing information related to such a report is protected against retaliation.

Habitat for Humanity Great Britain remains accountable to the families we partner with as well as the supporters who share our vision of a world where everyone has a decent place to live. Over the past four years, in consultation with the wider Habitat for Humanity International network and our regulators, we have worked hard to improve our safeguarding incident reporting systems.

As a member of a global federation, we report to the Charity Commission cases of sexual abuse or

harassment involving: country programmes we have funded, either currently or historically; country programmes where we have sent volunteers; or any UK national across the entire Habitat network. In every case we have reported to date, the Charity Commission has told us they are satisfied with our actions. Even so, we know we must remain vigilant and continue to strengthen not only our training programmes and screening of employees and volunteers but also our systems for promoting thorough reporting and transparency.

During the year, capacity was developed across the entire global network to ensure more robust training and procedures around safeguarding were implemented, creating a system that provides the families we partner with, supporters, and employees with a clear view of reported incidents and, critically, any remedial actions taken.

Safeguard training forms a key part of the induction process for all staff and trustees.

In addition to safeguarding cases, Habitat for Humanity Great Britain remains committed to reporting all serious incidents in the categories defined by the Charity Commission, including allegations regarding cybercrime, fraud, major governance issues or financial loss, and those involving volunteer safety.

## Compliance and legal

We operate in a highly regulated environment and the appropriate management and security of personal data is a key risk. We mitigate this risk by investing in robust and secure systems to manage and store personal data, training staff in the requirements of the General Data Protection Regulation Law, ensuring management keep data security as a top priority.

## Going concern

We have set out above a review of financial performance and the Charity's reserves position. We believe that we have adequate financial reserves to continue to deliver against our plans and adequate resources to continue in operational existence for the foreseeable future. We believe that there are no material uncertainties that call into doubt the Charity's ability to continue and that new opportunities in the coming year will provide increased funding. The accounts have therefore been prepared on the basis that the Charity is a going concern.



# STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

This annual report includes a director's report, as required by company law. The trustees (who are also directors of Habitat for Humanity GB 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 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 2019 (FRS 102).
- Make judgments and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

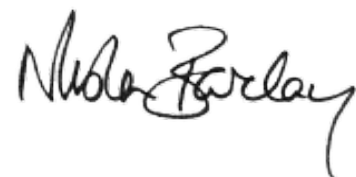
## AUDITORS

Azets Audit Services, 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.

In preparing this report, the trustees have taken advantage of the small companies' exemptions provided by section 415a of the Companies Act 2006.

Preparing the accounts for a small company does not require the preparation of a strategic report. However, much of the typical content of a strategic report is included in the trustees' report.

The trustees' annual report has been approved by the trustees on 29 March 2022 and signed on their behalf by:



Nicola Barclay  
**Chair**





# AUDITOR'S REPORT

## Independent Auditor's Report to the Trustees and Members of Habitat for Humanity Great Britain

### OPINION

We have audited the financial statements of Habitat for Humanity Great Britain (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 30 June 2021 which comprise Consolidated Statement of Financial Activities, the Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 30 June 2021, 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law.

Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical

requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### OTHER INFORMATION

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such

material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report incorporating the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

### RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the groups and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



# AUDITOR'S REPORT

## EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework.

Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and trustees around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of trustee meetings;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the charity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions

outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Azets Audit Services*

Paul Creasey (Senior Statutory Auditor)  
For and on behalf of Azets Audit Services  
Statutory Auditor and Chartered Accountants  
Egham

29 March 2022

Azets Audit Services is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.





# ACCOUNTS

## Consolidated statement of financial activities

(incorporating an income and expenditure account for the year ended 30 June 2021)

	Note	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
<b>Income from:</b>							
Donations and legacies	2	515,322	5,178	<b>520,500</b>	835,834	104,226	<b>940,060</b>
Charitable activities							
Disaster risk reduction & response	3	-	211,449	<b>211,449</b>	-	300,000	<b>300,000</b>
Advocacy		-	301,000	<b>301,000</b>	-	-	<b>-</b>
International Development	3	-	405,856	<b>405,856</b>	-	664,056	<b>664,056</b>
International Volunteering	3	17,865	-	<b>17,865</b>	292,787	-	<b>292,787</b>
HFHGB (Homes)	3	197,326	30,506	<b>227,832</b>	369,221	26,626	<b>395,847</b>
Investments		53	-	<b>53</b>	4,466	-	<b>4,466</b>
Other Income	4	-	-	<b>-</b>	(83)	-	<b>(83)</b>
<b>Total income</b>		<b>730,566</b>	<b>953,989</b>	<b>1,684,555</b>	<b>1,502,225</b>	<b>1,094,908</b>	<b>2,597,133</b>
<b>Expenditure on:</b>							
Raising funds	5	366,245	10,914	<b>377,159</b>	428,632	13,753	<b>442,385</b>
Charitable activities							
Disaster risk reduction & response	5	44,819	83,299	<b>128,118</b>	65,277	45,696	<b>110,973</b>
Advocacy	5	44,522	119,971	<b>164,493</b>	-	-	<b>-</b>
International Development	5	158,124	510,668	<b>668,792</b>	216,498	769,638	<b>986,136</b>
International Volunteering	5	48,282	2,283	<b>50,565</b>	321,684	5,323	<b>327,007</b>
HFHGB (Homes)	5	359,988	(4,626)	<b>355,362</b>	439,024	63,726	<b>502,750</b>
<b>Total expenditure</b>		<b>1,021,980</b>	<b>722,509</b>	<b>1,744,489</b>	<b>1,471,115</b>	<b>898,136</b>	<b>2,369,251</b>
<b>Net income / (expenditure) for the year</b>		<b>(291,414)</b>	<b>231,480</b>	<b>(59,934)</b>	<b>31,111</b>	<b>196,772</b>	<b>227,883</b>
Transfers between funds		46,133	(46,133)	<b>-</b>	-	-	<b>-</b>
<b>Gains and losses</b>		<b>(245,281)</b>	<b>185,347</b>	<b>(59,934)</b>	<b>31,111</b>	<b>196,772</b>	<b>227,883</b>
<b>Net movement in funds</b>		<b>(245,281)</b>	<b>185,347</b>	<b>(59,934)</b>	<b>31,111</b>	<b>196,772</b>	<b>227,883</b>
<b>Reconciliation of funds:</b>							
Funds brought forward		1,480,856	841,121	<b>2,321,977</b>	1,449,745	644,349	<b>2,094,094</b>
<b>Total funds carried forward</b>		<b>1,235,575</b>	<b>1,026,468</b>	<b>2,262,043</b>	<b>1,480,856</b>	<b>841,121</b>	<b>2,321,977</b>

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 of the financial statements.

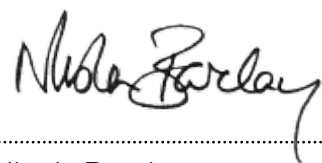


# Balance sheets

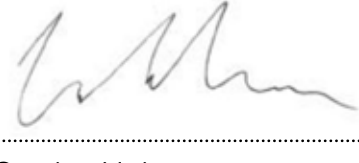
As of 30 June 2021

	Note	The Group		The Charity	
		2021	2020	2021	2020
		£	£	£	£
<b>Fixed assets:</b>					
Tangible assets	11	1,096,128	1,143,741	79	319
Programme related investments	18	110,595	142,424	-	-
		1,206,723	1,286,165	79	319
<b>Current assets:</b>					
Debtors	12	87,627	689,718	59,802	617,383
Cash at bank and in hand		1,724,226	876,032	1,595,308	818,351
		1,811,853	1,565,750	1,655,110	1,435,734
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	13	556,383	337,460	447,803	263,689
<b>Net current assets</b>					
Creditors: Amounts falling due after more than one year		200,150	192,478	40,833	-
		1,255,470	1,228,290	1,207,307	1,172,045
<b>Total net assets</b>					
		2,262,043	2,321,977	1,166,552	1,172,364
<b>Funds:</b>					
Restricted income funds	10	1,026,468	841,121	870,698	802,500
Unrestricted income funds	10	1,235,575	1,480,856	295,854	369,864
<b>Total funds</b>					
		2,262,043	2,321,977	1,166,552	1,172,364

The Financial Statements were approved and authorised for issue by the trustees on 29 March 2022 and signed on their behalf by:



Nicola Barclay  
Director, Chairman



Gordon Holmes  
Director, Honorary Treasurer

Company no: 3012626  
Charity no: 1043641  
Scotland: SCO48638

# Consolidated statement of cash flows

For the year ended 30 June 2021

	2021		2020	
	£	£	£	£
<b>Cash flows from operating activities</b>				
<b>Net cash provided by (used in) operating activities</b> (see note below)		846,490		(264,184)
<b>Cash flows from investing activities:</b>				
Dividends, interest and rents from investments	53		4,466	
Purchase of fixed assets	(25,148)		(118,233)	
Repayments of investments	31,829		27,521	
<b>Net cash provided by investing activities</b>		6,734		(86,246)
<b>Cash flows from financing activities:</b>				
Repayments of borrowing	(25,737)		(15,427)	
Financing costs	(7,146)		(5,582)	
Cash inflows from new borrowing	50,000		23,500	
<b>Net cash provided by financing activities</b>		17,117		2,491
<b>Change in cash and cash equivalents in the year</b>		870,341		(347,939)
Cash and cash equivalents at the beginning of the year		876,032		1,215,352
Change in cash and cash equivalents due to exchange rate movements		(22,147)		8,620
<b>Cash and cash equivalents at the end of the year</b>		1,724,226		876,033
<b>Reconciliation of net income / (expenditure) to net cash flow from operating activities</b>				
		2020		2020
		£		£
<b>Net income / (expenditure) for the reporting period</b>				
(as per the statement of financial activities)		(59,934)		227,883
Depreciation charges		72,762		78,972
(Gains)/losses on investments		-		(133)
Dividends, interest and rent from investments		(53)		(4,333)
Interest paid		7,146		5,582
Foreign exchange loss/(gain)		22,147		(8,620)
(Increase)/decrease in debtors		609,051		(383,355)
Increase/(decrease) in creditors		195,371		(180,181)
<b>Net cash provided by / (used in) operating activities</b>		846,490		(264,184)

All cash and cash equivalents at 30 June 2021 and 30 June 2020 were held as cash at bank and in hand.

## Analysis of changes in net funds

	1st July 2020	Cashflow	30th June 2021
	£		£
Cash	876,033	848,193	1,724,226
Loans falling due within one year	(19,232)	(16,591)	(35,823)
Loans falling due after more than one year	(192,478)	(7,672)	(200,150)
	664,323	823,930	1,488,253



# 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 64. 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 2019) - (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 24.

## b) PUBLIC BENEFIT ENTITY

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

## c) 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.

The functional and presentational currency of the group is sterling.

## d) 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.

## e) 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.

## f) 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.

## g) EXPENDITURE AND IRRECOVERABLE TAX

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 Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

## h) 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	31.45%
Disaster risk reduction and response	28.33%
International Development	14.35%
International volunteering	25.87%

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	27.00%
Disaster risk reduction and response	8.00%
International Development	40.50%
International Volunteering	24.50%



## **i) 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.

## **j) 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

## **k) 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 is 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.

## **l) 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.

## **m) INVESTMENTS IN SUBSIDIARIES**

Investments in subsidiaries are recognised at cost.

## **n) 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.

## **o) 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.

## **p) 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.

## **q) EMPLOYEE BENEFITS**

Short term employee benefits (including holiday entitlement and other non-monetary benefits) and contributions to defined plans are recognised as an expense 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 measured at the salary costs of the respective employee in relation to the period of absence.

## **r) PENSIONS**

HFHGB offers a Group Personal Pension defined contributions scheme to all staff. In line with the relevant staging date, from February 2017, HFHGB implemented changes to this scheme aligning it with the auto-enrolment requirements.

## **s) FOREIGN CURRENCIES**

HFHGB holds funds in GBP and USD. The value of USD account balance in GBP is stated at the closing rate at the balance sheet date. Transactions in foreign currencies are translated at the exchange rate ruling at the date of transactions.

## **t) PROGRAMME RELATED INVESTMENTS**

Programme related investments are stated at cost price at the balance sheet date. Such investments are subject to review and any diminution in value is charged to the statement of financial activities.

## **u) 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.

## **v) JUDGEMENTS OF 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

## **w) GOING CONCERN**

The trustees have reviewed the Group's forecasts and operating plans some of which have been risk weighted to take into account the challenges in the current environment.

Whilst it is difficult to predict the potential implications on the delivery of the group's social value, its operations and income streams with certainty, on the basis of this analysis, the trustees have a reasonable expectation that the group will have adequate resources to continue in operational existence for the foreseeable future and it is therefore appropriate to adopt the going concern basis of accounting for these financial statements.

## **x) COVID-19 GRANT ACCOUNTING POLICY**

During the year ended 30th June 2021, to ensure sustainability of operations, the Charity received £50,000 under the COVID-19 Bounce Back Loan arrangement of government assistance loans. This loan is repayable over 5 years at a rate of 6.5%. During the same year, the Group received a total of £86,600 under the HMRC Job Retention Scheme of the Government's support grants. The £86,600 was recognised and accounted for in the books as income and expenditure for charitable activities.



## 2. Income from donations and legacies

	Unrestricted	Restricted	2021 Total	2020 Total
	£	£	£	£
Individuals	195,981	-	<b>195,981</b>	200,792
Churches & Civic Groups	2,601	-	<b>2,601</b>	3,407
Companies and Employee Fundraising	74,383	5,178	<b>79,561</b>	144,529
Foundations, Organisations and Institutions	9,480	-	<b>9,480</b>	69,068
Major Donors	41,600	-	<b>41,600</b>	25,000
Legacies	105,752	-	<b>105,752</b>	367,057
HFHI transfers	-	-	-	34,320
Gifts in Kind	51,100	-	<b>51,100</b>	56,482
Gift Aid recovered	34,425	-	<b>34,425</b>	39,405
<b>Total</b>	<b>515,322</b>	<b>5,178</b>	<b>520,500</b>	<b>940,060</b>

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

	Unrestricted	Restricted	2021 Total	2020 Total
	£	£	£	£
<b>Disaster risk reduction &amp; response:</b>				
COINS Foundation	-	30,000	30,000	-
M & G Plc	-	55,850	55,850	300,000
Miller Homes	-	25,800	25,800	-
Standard Chartered	-	78,170	78,170	-
Other	-	21,629	21,629	-
<b>Sub-total for Disaster Risk Reduction and Response</b>	<b>-</b>	<b>211,449</b>	<b>211,449</b>	<b>300,000</b>
<b>Advocacy:</b>				
M & G Plc	-	243,000	243,000	-
COINS Foundation	-	50,000	50,000	-
Other	-	8,000	8,000	-
<b>Sub-total for Advocacy</b>	<b>-</b>	<b>301,000</b>	<b>301,000</b>	<b>-</b>
<b>International Development:</b>				
JOAC	-	48,875	48,875	345,684
Embrace the Middle East	-	-	-	40,986
GOAC	-	25,000	25,000	45,000
Touchstone	-	-	-	50,183
COIN	-	50,000	50,000	-
Stiching TCC Foundation	-	-	-	43,101
HFHI Solid Ground	-	15,583	15,583	9,557
BBC Radio 4	-	53	53	2,363
Comic Relief	-	18,433	18,433	-
Financial Times	-	-	-	8,806
Sailor Society	-	8,000	8,000	42,997
Lloyds of London	-	143,333	143,333	43,333
NPT Transatlantic	-	-	-	5,000
Saffery Read	-	47,500	47,500	-
HMRC Job retention scheme	-	32,604	32,604	52,964
Other	-	16,475	16,475	710
<b>Sub-total for International Development</b>	<b>-</b>	<b>405,856</b>	<b>405,856</b>	<b>690,682</b>
<b>International Volunteering:</b>				
Corporate Teams	16,166	-	16,166	161,334
School Teams	-	-	-	1,663
Open Teams	-	-	-	81,937
Friends and Family	1,699	-	1,699	47,853
<b>Sub-total for International Volunteering</b>	<b>17,865</b>	<b>-</b>	<b>17,865</b>	<b>292,787</b>
Rental Income	103,382	(20,398)	82,984	117,343
Volunteer Facilitation Grants	-	-	-	69,660
WeWork	-	3,160	3,160	65,000
Wells Fargo	-	26,205	26,205	-
Proctor & Gamble	-	21,539	21,539	-
Other Grants	-	-	-	36,507
Professional Fees	38,666	-	38,666	75,423
Contract Works	1,254	-	1,254	5,205
HMRC Job retention scheme	54,024	-	54,024	-
<b>Sub-total for HFH HOMES</b>	<b>197,326</b>	<b>30,508</b>	<b>227,832</b>	<b>369,138</b>
<b>Total income from charitable activities</b>	<b>215,192</b>	<b>948,811</b>	<b>1,164,003</b>	<b>1,652,607</b>

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



## 4. Other income

	Unrestricted	Restricted	2021 Total	2020 Total
	£	£	£	£
Investment income	53	-	<b>53</b>	4,466
Other Income: HMRC Job retention scheme	-	-	<b>-</b>	-83
	53	-	<b>53</b>	4,383

## 5. Analysis of expenditure

	Charitable activities							2021 Total	2020 Total	Basis of allocation
	Cost of raising funds	Disaster Risk Reduction and Response	Advocacy	International Development	International Volunteering	HFHGB Homes	Support and governance costs			
	£	£	£	£	£	£	£	£	£	
Staff costs	188,506	22,666	27,466	113,257	15,463	221,519	110,489	<b>699,366</b>	783,445	Staff time and cost
Recruitment costs	-	-	-	-	-	-	-	-	-	Direct
Training	-	-	-	-	-	-	722	<b>722</b>	4,586	Direct
Consultancy costs	1,542	152	161	842	1,052	-	21,564	<b>25,313</b>	47,304	Direct
Grants to HFH Projects	-	78,765	97,055	435,780	513	-	-	<b>612,113</b>	818,904	Direct
International Project expenses	-	4,563	10,257	25,245	(2,074)	-	-	<b>37,991</b>	154,881	Direct
Domestic project expenses	-	-	-	-	-	(12,355)	-	<b>(12,355)</b>	289,677	Direct
Project depreciation	-	-	-	-	-	72,521	-	<b>72,521</b>	-	Direct
Fundraising and promotions	17,223	6,503	3,136	7,860	2,747	-	2	<b>37,471</b>	78,648	Direct and content %
Office costs	26,507	2,608	2,772	14,468	5,544	16,849	12,539	<b>81,287</b>	69,637	Direct
Travel costs	-	11	11	36	-	-	-	<b>58</b>	16,747	Direct
Audit and accountancy	-	-	-	-	-	-	15,410	<b>15,410</b>	15,929	Direct
Legal and professional	12,560	-	9,975	-	-	42,367	16,097	<b>80,999</b>	25,228	Direct
Bad debt expense	-	-	-	-	-	7,315	-	<b>7,315</b>	4,929	Direct
Other expenses	23,533	2,315	2,461	12,845	4,921	-	8,882	<b>54,957</b>	65,650	Direct
Foreign exchange loss / (gain)	-	-	-	-	-	-	22,147	<b>22,147</b>	(8,620)	Direct
Bank charges & interest	189	-	-	-	-	7,146	1,838	<b>9,173</b>	2,305	Direct
<b>Sub-total</b>	<b>270,060</b>	<b>117,583</b>	<b>153,294</b>	<b>610,333</b>	<b>28,166</b>	<b>355,362</b>	<b>209,690</b>	<b>1,744,489</b>	<b>2,369,250</b>	
Governance costs	29,857	2,937	3,122	16,297	6,244	-	(58,457)	-	-	
Support costs	77,242	7,598	8,077	42,162	16,154	-	(151,233)	-	-	Staff time
	107,099	10,535	11,199	58,459	22,398	-	(209,690)	-	-	
<b>Total expenditure 2021</b>	<b>377,159</b>	<b>128,118</b>	<b>164,493</b>	<b>668,792</b>	<b>50,565</b>	<b>355,362</b>	<b>-</b>	<b>1,744,489</b>	<b>2,369,250</b>	

	2021 £	2020 £
Depreciation	<b>72,762</b>	78,972
Auditors' remuneration (excluding VAT)	<b>12,950</b>	12,050
Foreign exchange (gains) or losses	<b>22,147</b>	(8,620)
Operating lease expenses	<b>1,910</b>	2,235

HFH Homes Support and Governance costs are 100% allocated to Homes' as a charitable activity because they are discrete costs which should not be apportioned using HFHGB's drivers



## 6. Grants for HFH projects

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

Country/ Region	Disaster Risk Reduction & Response £	Advocacy £	International Development £	International Volunteering £	2021 Total £	2020 Total £
Armenia	-	-	-	-	-	9,079
Brazil	-	-	-	-	-	15,937
Cambodia	-	-	24,749	-	<b>24,749</b>	141,607
Ethiopia	-	-	50,000	-	<b>50,000</b>	206,112
Honduras	-	-	-	-	-	4,900
India	-	-	-	-	-	26,632
Kenya	-	-	-	-	-	6,787
Lebanon	74,740	-	4,555	-	<b>79,295</b>	214,907
Malawi	-	-	135,000	513	<b>135,513</b>	123,254
Myanmar	-	-	8,000	-	<b>8,000</b>	45,355
Nepal	4,025	-	167,876	-	<b>171,901</b>	24,055
Poland	-	97,055	-	-	<b>97,055</b>	-
Sri Lanka	-	-	45,600	-	<b>45,600</b>	-
Habitat Homes	-	-	-	-	-	-
<b>Total</b>	<b>78,765</b>	<b>97,055</b>	<b>435,780</b>	<b>513</b>	<b>612,113</b>	<b>818,623</b>

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

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	<b>603,168</b>	719,069
Redundancy and termination costs	<b>5,537</b>	-
Social security costs	<b>58,095</b>	69,986
Employer's contribution to defined contribution pension schemes	<b>18,947</b>	24,534
Contract labour	<b>14,693</b>	-
<b>Total</b>	<b>700,440</b>	813,589
During the year, the following staff earned in excess of £60,000:		
	2021	2020
£60,001 - £70,000	<b>1</b>	1

The total employee benefits including pension contributions of the key management personnel were £342,543 (2020: £379,747).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

No trustees' expenses were incurred or reimbursed this year; (2020: £nil).



## 8. Staff numbers

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

	2021	2020
	No.	No.
Raising funds	5.0	4.3
Advocacy and DR3	1.0	0.7
International Development	2.7	2.4
International Volunteering	1.0	1.7
HFHGB (Homes)	5.0	6.0
Governance	0.5	0.6
Support	1.8	2.8
	<b>17</b>	19

## 9. Analysis of group net assets between funds

	The Group			The Charity				
	General unrestricted	Restricted funds	2021	2020	General unrestricted	Restricted funds	2021	2020
			Total funds	Total funds			Total funds	Total funds
£	£	£	£	£	£	£	£	
Tangible fixed assets	1,096,127	-	<b>1,096,127</b>	1,143,741	79	-	<b>79</b>	319
Programme related investments	110,595	-	<b>110,595</b>	142,424	-	-	-	-
Net current assets	229,003	1,026,468	<b>1,255,471</b>	1,228,290	336,610	870,698	<b>1,207,307</b>	1,172,045
Long term liabilities	(200,150)	-	<b>(200,150)</b>	(192,478)	(40,833)	-	<b>(40,833)</b>	-
Net assets at the end of the year	1,235,575	1,026,468	<b>2,262,043</b>	2,321,977	295,854	870,698	<b>1,166,552</b>	1,172,364

## 10. Movement in funds

	At the start of the year	Fund movement	Incoming resources & gains	Outgoing resources & losses	At the end of the year
	£		£	£	£
<b>Restricted funds:</b>					
<b>HFHGB</b>					
Grants over £30,000					
JOAC	254,187	-	48,875	(295,579)	<b>7,483</b>
COINS Foundation	-	-	80,000	(50,000)	<b>30,000</b>
Lloyds of London	9,337	-	143,333	(33,983)	<b>118,687</b>
M & G Plc	300,000		298,850	(198,830)	<b>400,020</b>
Standard Chartered Fundraiser	-		78,170	(3,372)	<b>74,798</b>
HFHI Investment Agreement	-		-	(4,200)	<b>(4,200)</b>
Smaller Grants	104,066	(46,133)	181,191	(151,372)	<b>87,752</b>
Domestic Projects	-		47,745	(47,745)	-
Non-reportable donors (restricted donations)	134,910		91,047	(69,799)	<b>156,158</b>
<b>Sub-total for HFHGB</b>	<b>802,500</b>	<b>(46,133)</b>	<b>969,211</b>	<b>(854,880)</b>	<b>870,698</b>
<b>HFHGB Homes</b>					
Grants over £30,000			-		
Smaller Grants	38,621		(15,222)	132,371	<b>155,770</b>
Other Income					
<b>Sub-total for HFHGB Homes</b>	<b>38,621</b>		<b>(15,222)</b>	<b>132,371</b>	<b>155,770</b>
<b>Total restricted funds</b>	<b>841,121</b>	<b>(46,133)</b>	<b>953,989</b>	<b>(722,509)</b>	<b>1,026,468</b>
<b>Unrestricted funds:</b>					
<b>HFHGB</b>					
General unrestricted funds	369,864	46,133	534,631	(654,774)	<b>295,854</b>
<b>HFHGB Homes</b>					
General unrestricted funds	1,110,992		195,935	(367,206)	<b>939,721</b>
<b>Total unrestricted funds</b>	<b>1,480,856</b>	<b>46,133</b>	<b>730,566</b>	<b>(1,021,980)</b>	<b>1,235,575</b>
<b>Total funds</b>	<b>2,321,977</b>	<b>-</b>	<b>1,684,555</b>	<b>(1,744,489)</b>	<b>2,262,043</b>

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. 'Non-reportable donors' include donations restricted to specific countries, themes, or projects.

Transfers from restricted funds to unrestricted funds of £46,133 was made during the year to recognise the dms not taken at the point on transferring funds to Nos.



## 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
	£	£	£	£	£	£	£	£
<b>Cost</b>								
At the start of the year	56,936	1,352,998	30,160	16,806	27,262	<b>1,484,162</b>	27,262	<b>27,262</b>
Additions in year - move to transfers line	23,293	-	-	1,855	-	<b>25,148</b>	-	<b>-</b>
Disposals in year	-	-	-	(2,928)	-	<b>(2,928)</b>	-	<b>-</b>
Transfers	-	-	-	-	-	<b>-</b>	-	<b>-</b>
At the end of the year	80,229	1,352,998	30,160	15,733	27,262	<b>1,506,382</b>	27,262	<b>27,262</b>
<b>Depreciation</b>								
At the start of the year	-	296,204	1,530	15,744	26,943	<b>340,421</b>	26,943	<b>26,943</b>
Charge for the year	-	71,588	102	831	240	<b>72,762</b>	240	<b>240</b>
Eliminated on disposal	-	-	-	(2,928)	-	<b>(2,928)</b>	-	<b>-</b>
At the end of the year	-	367,792	1,632	13,647	27,183	<b>410,255</b>	27,183	<b>27,183</b>
<b>Net book value</b>								
<b>At the end of the year</b>	<b>80,229</b>	<b>985,206</b>	<b>28,528</b>	<b>2,086</b>	<b>79</b>	<b>1,096,128</b>	<b>79</b>	<b>79</b>
At the start of the year	223,179	847,385	28,732	2,014	3,169	<b>1,104,479</b>	319	<b>319</b>

## 12. Debtors

	The Group		The Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	<b>15,355</b>	41,535	-	-
Other debtors	<b>57,966</b>	633,937	<b>50,258</b>	607,106
Prepayments	<b>14,306</b>	14,246	<b>9,544</b>	10,277
VAT	-	-	-	-
	<b>87,627</b>	689,718	<b>59,802</b>	617,383

## 13. Creditors: amounts falling due within one year

	The Group		The Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	<b>15,343</b>	18,101	<b>6,092</b>	447
Taxation and social security	<b>21,217</b>	21,751	<b>11,116</b>	10,995
Deferred income	<b>300,000</b>	-	<b>300,000</b>	-
Accruals	<b>173,924</b>	267,365	<b>121,428</b>	249,729
Loans	<b>35,823</b>	19,232	<b>9,167</b>	-
Other creditors	<b>10,076</b>	11,011	-	2,518
	<b>556,383</b>	337,460	<b>447,803</b>	263,689

**Deferred Income:** These are funds received from HFHI under the capacity development funding agreement to be implemented in FY22 and FY23.

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

	The Group		The Charity	
	2021	2020	2021	2020
	£	£	£	£
Loans: balance repayable in 1-5 years	<b>154,350</b>	111,490	<b>40,833</b>	-
Loans: balance repayable in more than 5 years	<b>45,800</b>	80,988	-	-
	<b>200,150</b>	192,478	<b>40,833</b>	-

Habitat Homes: The loans are secured against the assets of HFHGB (Homes) under a fixed and floating charge. The first loan is repayable in monthly instalments of £1,485.06 which include interest charged at a rate of 3.75%. The term of the loan is 9.5 years from the date of drawdown of the loan. In 2019 an additional loan of £100,000 was drawn down, and in 2020 a further £23,500 was drawn down to fund the East Street development. It is repayable over 10 years from the date of completion and interest is chargeable at 3.25%.

HFHGB: The loan outstanding here is £40,833 taken under the government's Covid-19 Bounce Back Loan arrangement at a rate of 6.5%



## 15. Financial instruments

	The Group		The Charity	
	2021 £	2020 £	2021 £	2020 £
<b>Financial assets</b>				
Debt instruments measured at amortised cost:				
Programme related investments	<b>110,595</b>	142,424	-	-
Trade debtors	<b>15,355</b>	41,535	-	-
Other debtors	<b>57,966</b>	616,437	<b>50,258</b>	607,106
	<b>183,916</b>	800,396	<b>50,258</b>	607,106
<b>Financial liabilities</b>				
Measured at amortised cost				
Trade creditors	<b>15,344</b>	18,101	<b>6,092</b>	447
Deferred income	<b>300,000</b>	-	<b>300,000</b>	-
Loans	<b>235,973</b>	211,710	<b>50,000</b>	-
Other creditors	<b>173,924</b>	269,883	<b>121,428</b>	252,247
	<b>725,241</b>	499,694	<b>477,520</b>	252,694

## 16. 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:

	Equipment	
	2021 £	2020 £
Less than one year	<b>1,910</b>	2,235
One to five years	<b>1,433</b>	3,343
	<b>3,343</b>	5,578

## 17. Related party transactions

£25,000 was received from Gordon Holmes, a trustee and treasurer to the board of trustees. There was no related party transactions last year.

£130,000 was donated by COINS - Constructions Industry Solutions Ltd donated in restricted funds. Larry Sullivan of COINS is a trustee of HFHGB. The Charity also received a gift in kind of office space worth £50,000 from COINS.

£2,000 was donated by J Clarke, a trustee of HFHGB, for supporting operational activities of HFHGB (Homes).

£300,000 was received from HFHI as restricted funding for additional capacity needed to deliver on the new strategy. This receipt has been deferred and will be released according to the financial years it was agreed to be used. HFHGB remains an independent UK charity controlled by the Directors/Trustees.

## 18. Programme related investments

	2021 £	2020 £
<b>Cost or Valuation</b>		
At 1st July 2020	<b>142,424</b>	169,945
Additional Loans in Year	-	-
Repayments	<b>(31,829)</b>	(27,521)
	<b>110,595</b>	142,424
At 30th June 2021	<b>110,595</b>	142,424
Repayable within one year	31,828	36,693
Repayable in more than one year	78,767	105,731
	<b>110,595</b>	142,424

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. Capital commitments

At the balance sheet date, the group had no capital commitments (2020: None).

## 20. Contingent assets or liabilities

There were no contingent liabilities as at 30 June 2021 (2020: None).

## 21. 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.

## 22. 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 £328,858 (2020: £477,741) and total expenditure for the year was £369,962 (2020: £512,538). As at 30 June 2021 HFHGB Homes held £155,770 in Restricted Funds (2020: £38,621) and £952,739 in Unrestricted Funds (2020: £1,149,612).

## 24. HFHGB single charity SOFA

	2021		2020			
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
<b>Income from:</b>						
Donations and legacies	516,713	-	<b>516,713</b>	823,896	34,320	<b>858,216</b>
Charitable activities						
Disaster risk reduction & response	-	211,449	<b>211,449</b>	-	300,000	<b>300,000</b>
Advocacy	-	301,000	<b>301,000</b>	-	-	<b>-</b>
International Development	-	405,856	<b>405,856</b>	-	664,056	<b>664,056</b>
International Volunteering	17,865	-	<b>17,865</b>	292,787	-	<b>292,787</b>
HFHGB Homes	-	50,906	<b>50,906</b>	-	101,590	<b>101,590</b>
Investments	53	-	<b>53</b>	4,333	-	<b>4,333</b>
<b>Total income</b>	<b>534,631</b>	<b>969,211</b>	<b>1,503,842</b>	<b>1,121,016</b>	<b>1,099,966</b>	<b>2,220,982</b>
<b>Expenditure on:</b>						
Raising funds	359,027	10,914	<b>369,941</b>	418,563	13,752	<b>432,315</b>
Charitable activities						
Disaster risk reduction & response and Advocacy	44,819	83,299	<b>128,118</b>	32,638	19,065	<b>51,703</b>
Advocacy	44,522	119,971	<b>164,493</b>	32,638	26,632	<b>59,270</b>
International Development	158,124	510,668	<b>668,792</b>	216,498	769,638	<b>986,136</b>
International Volunteering	48,282	2,283	<b>50,565</b>	321,684	5,323	<b>327,007</b>
HFHGB Homes	-	127,745	<b>127,745</b>	-	101,871	<b>101,871</b>
<b>Total expenditure</b>	<b>654,774</b>	<b>854,880</b>	<b>1,509,654</b>	<b>1,022,022</b>	<b>936,281</b>	<b>1,958,302</b>
<b>Net income / (expenditure) before transfers</b>	(120,143)	114,331	<b>(5,812)</b>	98,995	163,685	<b>262,680</b>
<b>Net gains / (losses) on investments</b>	-	-	<b>-</b>	-	-	<b>-</b>
<b>Net income / (expenditure) for the year</b>	(120,143)	114,331	<b>(5,812)</b>	98,995	163,685	<b>262,680</b>
<b>Net income / (expenditure) before other recognised gains and losses</b>	(120,143)	114,331	<b>(5,812)</b>	98,995	163,685	<b>262,680</b>
<b>Net movement in funds</b>	46,133	(46,133)	<b>-</b>	-	-	<b>-</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward	369,864	802,500	<b>1,172,364</b>	270,869	638,815	<b>909,684</b>
<b>Total funds carried forward</b>	<b>295,854</b>	<b>870,698</b>	<b>1,166,552</b>	369,864	802,500	<b>1,172,364</b>



# Reference and administrative information

**COMPANY NUMBER:** 3012626

**CHARITY NUMBER:**

1043641 (England and Wales)

SCO48638 (Scotland)

**REGISTERED OFFICE AND OPERATIONAL ADDRESS:** 11 St Laurence Way, Slough SL1 2EA

**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:

**Nicola Barclay**

Chair

**Mike Freshney**

Vice Chair

**Gordon Holmes**

Treasurer

**Larry Sullivan**

Trustee

**Gary von Lehmden**

Trustee

**Simon Thomas**

Trustee

**Ian Whitehead**

Trustee

**John Brian Clark**

Trustee

**Susan Revell**

Trustee

**Rick Hathaway**

Trustee

**Julien Gagnon**

Trustee (appointed April 2021)

**KEY MANAGEMENT PERSONNEL**

**Tum Kazunga**

Chief Executive Officer

**Tessa Kelly**

Head of Income Generation

**Victoria Bakulumpagi**

Head of Finance

**Gareth Hepworth**

Chief Executive Officer, HFHGB (Homes)

**David Clare**

Chief Operation Officer, HFHGB (Homes)

**PATRONS**

**H.R.H The Duke of Gloucester KG GCMG**

**The Rt. Hon. Alistair Burt MP**

**The Rt. Hon Sir Simon Hughes**

**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**

Azets Audit Services, Gladstone House, 77-79 High Street, Egham, TW20 9HY







**We are Habitat for Humanity, one of the world's leading housing charities.**

**As a humanitarian organisation focused on long-term development, aid, and poverty alleviation, our mission is to build safe environments where families and communities can thrive.**



11 St Laurence Way, Slough, SL1 2EA  
 Tel: 01753 313539  
[habitatforhumanity.org.uk](http://habitatforhumanity.org.uk)

