
COMPANY NUMBER: 1247918

WORLD HABITAT

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

**WORLD HABITAT
IS A REGISTERED CHARITY**

CHARITY NUMBER: 270987



WORLD HABITAT

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LEGAL AND ADMINISTRATIVE INFORMATION

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, are pleased to submit their forty second annual report, together with the audited financial statements for the year ended 31 December 2021.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity number 270987

Company number 1247918

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Barclays Bank

Bishop Meadow Branch, Loughborough

Solicitors Freeths

One Colton Square, Leicester, LE1 1QH

DIRECTORS AND TRUSTEES

The directors of the charitable company (World Habitat) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

The trustees serving during the year, and since the year-end, were as follows:

Elected trustees

A Challis

P Elderfield (resigned on 1 December 2021)

A Kennedy

A Pearson (resigned on 03 March 2021)

S Macdonald

I McCormack

N Murphy

J Richardson (reappointed on 28 June 2021 to serve a further three-year term)

Management team

D Ireland – Chief Executive

E Melia

L Winterburn – Deputy CEO

J Kovach

TRUSTEES' REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT**Governing document**

World Habitat is a charitable company limited by guarantee incorporated on 9 March 1976. It is governed by a Memorandum and Articles of Association which were amended on the 26 September 2017 to change the name to World Habitat, change the charitable objects and amend the period of time trustees can serve on the board to a maximum of 9 years without special resolution. In the event of it being wound up, members are required to contribute an amount not exceeding £10.00.

Recruitment, appointment and training of trustees

As set out in the Articles of Association trustees are appointed for a fixed-term of three years, save where the Board of Trustees sets a shorter period prior to appointment. Trustees shall cease to be members of the Board of Trustees at the end of the fixed-term but may be reappointed at the Annual General Meeting held in June. Trustees may serve as a member of the Board of Trustees for a continuous, or aggregate period, of 9 years without the support of a special resolution at a general meeting of the association. The Articles state that the number of trustees should not exceed nine. The members of the organisation are co-terminus with the trustees. All members of the organisation are circulated with invitations to nominate trustees prior to the AGM, advising them of the retiring trustees and requesting nominations for the AGM.

All members of the board of trustees give their time voluntarily and received no benefits from the charity. Any expenses reclaimed from the charity are set out in note 8 in the accounts.

Prof J Richardson reached the end of her term of office and was re-elected for a further three-year term at the AGM. Alan Pearson resigned on 3rd March 2021 and Pat Elderfield resigned on the 1st December 2021. We express our sincere appreciation to Pat Elderfield and Alan Pearson, who have ably and loyally served the Board of Trustees over their time here and have brought their wide experience and insight to support the organisation as it has grown and developed in this time.

Stuart Macdonald was appointed as Vice-Chair for a period of three years during 2019.

There is a process in place for trustee appraisals to take place every 12 to 18 months. Appraisals are carried out by the Chair and feedback provided for trustees. General themes that emerge from trustee appraisals are reported back to the Board.

Trustees have approved a process for appraising the Chair. The process involves a self-appraisal and an interview carried out by trustees led by the Vice-Chair.

A revised trustee induction policy was approved by trustees in June 2020. New trustees are provided with full information to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. Opportunities are provided for new trustees to meet all employees and other trustees. Trustees are encouraged to attend appropriate external training events to facilitate the undertaking of their role and to meet regularly with the World Habitat staff team.

Organisation

The Board of Trustees, which can have up to nine members, administers the charity. The Board meets quarterly and there is one standing sub-committee covering investment and other financial matters. Working groups are established to address particular issues if needed. A Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment and all activity relating to meeting the organisation's objectives. During the year, our Chief Executive was Mr David Ireland, who joined the organisation in June 2014.

Related parties

The charity has no closely related parties, although co-operates with a broad range of organisations both in the UK and internationally, in its various housing research and knowledge transfer activities.

Risk management

Risk management is reviewed by trustees at every board meeting.

The trustees have a risk management strategy, which comprises:

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- an annual review of the risks the charity may face;
- the establishment of systems and procedures to mitigate those risks identified in the plan; and
- the implementation of procedures designed to minimise any potential impact on the Charity should those risks materialise.

Health and safety advisers and professional investment managers have been appointed, and a business continuity plan has been prepared to address the need to maintain a normal mode of operation in the event of an emergency. A key element in the management of financial risk is the setting of policies in respect of reserves and investments, which are regularly reviewed by trustees. A major risk identified in previous risk-mapping work is a major collapse of the financial markets and the impact that this would have on the income stream, which relies heavily on dividend income. Whilst the ongoing uncertainties in the global financial system continue to have an impact on our income, we are working closely with our investment advisers to keep the situation under review. The Board of Trustees delegates the Finance and Investment Sub-Committee to meet with our investment managers on a regular basis. The Finance and Investment Sub-Committee meetings normally take place three times a year. A full set of papers from the Finance and Investment Sub-Committee are provided to all trustees in order that there is a broad understanding of the financial position by all members.

Risk and Uncertainties

Brexit - What are the risks facing us and how are we going to mitigate this?

Trustees have carefully considered the risks posed by the UK leaving the European Union. The issue has been near the top of the risks regularly reviewed by trustees since before the referendum in 2016.

Trustees consider that the main risks to World Habitat are indirect rather than direct. By that they mean that direct risks such as disruption of supply chains, changes in import/export taxes and the removal of licences to operate do not significantly affect World Habitat. There are however many indirect effects which may have an impact on the organisation. These relate to four main areas: the risk of a general downturn in the UK economy; changes in the exchange rate between sterling and other major currencies, particularly the Euro; changes affecting travel between the UK and the EU; and the impact on employment and recruitment caused by changes to residency rules for EU citizens living in the UK.

Trustees have reviewed these risks and concluded that risks to World Habitat's investments are manageable. Risks to income are likely to be minor because World Habitat's investments are invested diversely and are not solely dependent on the performance of the UK's economy.

World Habitat employs one member of staff based in the Netherlands whose salary is paid in Euros. A reduction in the value of Sterling against the Euro will increase the organisations costs in all of these areas. The organisation has modelled this and built a contingency into its budget that would cover all but a major drop in the value of Sterling.

World Habitat employs a number of staff who are not UK citizens, and has traditionally recruited some staff from EU countries for their knowledge and experience in the areas of work the charity undertakes. All UK-based staff have settled status, and the organisation's increasing proficiency in remote-working provides the opportunity to recruit overseas staff if necessary, without the need for them to be based in the UK.

World Habitat's traditional operating model has required frequent travel to EU countries. World Habitat is a member of Housing Europe, it conducts much of its homelessness programme, and part of its Global Community-led Housing Programmes in EU countries. The World Habitat Awards receive large numbers of submissions from EU countries, and require staff to visit as part of the evaluation process. Trustees have considered the implications of World Habitat's UK staff visiting EU countries and concluded that whilst there may be some additional administrative costs, these are manageable and additional costs are likely to fall within the organisation's travel budget. In any case, the risks to overseas travel caused by COVID-19 are much more significant. The organisation aims to reduce its need for so much travel in the medium-term as it seeks to reduce its carbon footprint.

Therefore, whilst Brexit is a risk, the trustees consider the impact to be manageable and not to be as significant as COVID-19.

COVID-19 – What are the risks facing us and how are we going to mitigate this?

Trustees are acutely aware that the impacts of COVID-19 are felt most by those on low incomes and those with inadequate housing or no home at all. The pandemic has created new threats to the most vulnerable people in society, including an increased risk of homelessness through evictions. Trustees acknowledge that these effects are likely to significantly shape the needs of the people that World Habitat's work aims to help. As a result, World Habitat's programmes and strategy are due to be revised in 2022, so that they best deliver the organisation's mission and objectives.

Trustees have reviewed the potential medium-term impacts of the pandemic on World Habitat. They are aware that the duration and future developments in the pandemic are difficult to predict. Trustees consider that whilst most effects will be relatively short-term in duration, there are likely to be some fundamental long-term changes that result. Trustees consider that the most significant impacts on World Habitat are on the organisation's income, restrictions to travel, and the organisation's workplace.

The vast majority of World Habitat's income is derived from financial investments. The financial shock caused by the pandemic has led to increased volatility in the value of these investments. Trustees have reviewed projections of the likely impact on the charity's income and concluded that the financial effects are likely to be relatively short-term. Trustees have considered the risks to income as well as the risks to the delivery of the organisation's programmes. During 2021 the value of the financial investments rose to above pre-pandemic levels. The financial investments were also moved to two new funds during the year that would pay a 4 per cent total return. This level of distribution would be sufficient to fund the activities of the charity going forward.

World Habitat's operations have previously required a significant amount of overseas travel. Trustees anticipate that it will not be possible to pursue operational models that require travel in the short to medium-term. One important example are the evaluation visits, which are undertaken each year to assess submissions from finalists in the World Habitat Awards. New models were developed in 2020 including using in-country experts to visit and provide advice to the evaluation team. Similar models have been developed for other parts of the organisation's operations. These are continuously being refined and improved giving the organisation a range of options it can use, depending on the health risks and legal position in force at the time. Trustees are confident that its programmes can continue to operate within all reasonably foreseeable pandemic scenarios.

When the UK government ordered all staff who were able to work from home in March 2020, the organisation was well prepared. It had IT systems and equipment already in place and was able to adapt its process and operations quickly to a working from home model. Staff have remained working from home ever since. The organisation plans to reopen an office during 2022, contingent on the law permitting it and risk assessment which demonstrates that health risks to staff are minimised as far as is possible.

Our Mission and Objectives

We are determined to address and challenge the widespread, chronic injustice that one-in-seven people across the world who live without a proper home. Our mission is to help those who are homeless; those who have lost their homes due to war and disasters; and those who simply cannot afford to live where they need to. All our work is focused on understanding what works and getting solutions to the people who need them most. This annual report and accounts details our progress over the last year towards achieving that mission.

Safe and secure housing is a fundamental human right; without it, people cannot fulfil their true life-potential. For too many of the world's population, poverty, conflict, disasters, including those caused by the climate emergency deny people that fundamental right. The COVID-19 pandemic continues to highlight blatant inequalities in housing. A secure home is not just essential to keep safe from the virus, but also provides resistance to the economic and social impacts that the pandemic has unleashed.

UN-Habitat estimates that around a billion people currently live in unsafe and unhealthy homes and millions more have no home at all. This is clearly unacceptable. Despite the recent challenges caused by COVID-19, there has been huge progress over the last few decades. Billions have been lifted out of poverty. Life expectancy has increased, and more people than ever have somewhere safe and secure to live in – our mission is quite clearly achievable.

However, there are threats to this progress. Old political and economic certainties have retreated, weakening people's rights and increasing the risk of conflict. The economic impacts of COVID-19 have threatened people's security, increasing the risk of eviction and homelessness. A rising global population is straining the world's resources and the climate is becoming increasingly unstable and unpredictable. These tensions are felt first by the poorest people who can least afford to insulate themselves from the effects, and with regard to the climate emergency – are the least responsible for causing it.

However, the most marginalised communities are often the most resourceful, strongest and most innovative. With the right financial and social backing, most communities possess the potential to create the right housing solutions. In our experience, if those directly affected have a role in designing solutions, the outcomes are always far better.

The world is not short of solutions to housing challenges – most of them already exist and are emerging all the time. However, too many communities do not have the access they need to implement, and make the most of them. It is World Habitat's role as a catalyst to find the solutions, help them to develop and grow and then get them transferred to the places and communities who need them most.

In 2021 we have wanted to have a greater positive impact than ever before. We sought to develop and adapt our approach to the changed housing needs, and the limitations imposed on us as a result of COVID-19, without reducing our impact. Our work – which this report details - continued to implement the strategy approved by our Trustees, that has guided our work from 2019 to 2021. The strategy sets our objectives to:

- seek out and develop new and effective solutions to the world's greatest housing challenges;
- support emerging innovative ideas and projects to develop and grow, so they help more people;
- invest in housing projects to help them reach more people;
- promote proven housing solutions and help to transfer them to places where they are needed most; and
- work around the world to develop what works and to discover new solutions to making housing safe and secure.

The World Habitat Awards - Seeking out and developing new and effective solutions to the world's greatest housing challenges.

The World Habitat Awards represent a unique window into the most inspirational and effective housing projects from around the world. Run in partnership with UN-Habitat since 1985, our extensive global network and proven methodology finds remarkable communities who have solved sometimes, seemingly, impossible problems. We look for innovative projects that are sustainable and have the potential to have the greatest impact in addressing the most challenging global housing problems, through our exChange events and transfer work.

The two Gold Award winners – who were presented with their Awards in 2021 - were: **The Aga Khan Agency for Habitat, Pakistan** and **Newcastle City Council, UK**

Integrating local knowledge with technology to manage disasters in Pakistan's villages. The Aga Khan Agency for Habitat, Pakistan.

Pakistan has suffered an estimated US\$18 billion in damages and losses as a result of disasters over the past decades. The northern mountainous areas – home to some of the most disadvantaged and isolated communities – are especially vulnerable to earthquakes, floods and many other hazards – often as a result of the climate emergency - that have caused significant damage in recent years.

Although international and national agencies have undertaken work on disaster preparedness at different levels, the integration of hazard, vulnerability and risk assessments (HVRAs) into planning processes - for disaster preparedness, response, rehabilitation and development - is rare.

The **Integrating indigenous knowledge and technology for safer habitat** approach set up by the Aga Khan Agency for Habitat, Pakistan (AKAH Pakistan) integrates disaster-risk management into habitat-planning and development projects at village and community levels. AKAH Pakistan introduced community-based HVRAs in the country for the first time in 2004, combining local and scientific knowledge to map risks, determine residential and economic zones, and develop disaster management plans. AKAH geologists use satellite images and risk-mapping tools, with active participation from residents, who contribute local knowledge and receive training on the process. This enables them to build in safer areas and protect against hazards.

To date, AKAH Pakistan has conducted HVRAs in almost 800 settlements, mostly in the mountain areas of Gilgit-Baltistan and Chitral regions - home to more than one million people. The project has provided more than 20,000 households with technical assistance in maintaining and improving their homes, constructed over 4,000 shelters for internally displaced people, and created more than 280 community disaster management plans. Weather monitoring posts and community-based early warning systems are also installed.

Over 50,000 community volunteers have been trained across Pakistan in community-based disaster risk management. Alongside AKAH, they have responded to over 200 disasters and - through HVRAs - identified 50 extremely hazard prone settlements for relocation. AKAH Pakistan has also established 190 community-managed emergency stockpiles, which include tents, blankets, search and rescue tools and first aid kits.

Homelessness Prevention in Newcastle Upon Tyne, UK - Newcastle City Council, UK

Poverty and deprivation were already long-standing issues in Newcastle upon Tyne before a decade-long programme of austerity reduced municipal budgets by almost a third (32%) and welfare spending in the city was severely cut. An estimated US\$150 million will have been cut from 40,000 of the lowest-income working-age residents by 2024.

It was in response to these severe budget cuts, and their likely impact on the most vulnerable households, that Newcastle City Council developed its Active Inclusion Newcastle partnership approach to support residents to have a stable life – somewhere to live, an income, financial inclusion and employment opportunities. **Homelessness prevention in Newcastle upon Tyne** is a citywide approach which identifies and supports people at risk of homelessness - before they reach crisis point, rather than responding afterwards.

In a city facing reducing incomes and increasing poverty, this approach has maintained extremely low and stable levels of homelessness, despite a challenging background nationally, preventing thousands of households from becoming homeless.

More than 100 local organisations work together to prevent homelessness and promote financial inclusion. This involves addressing issues that can contribute to homelessness, such as debt and access to welfare support - to increase residents' income and reduce their expenditure where possible.

This groundbreaking approach has prevented over 24,000 households from becoming homeless between 2014/15 and 2019/20 and has the highest proportionate rate of homelessness prevention in all the core cities in England.

World Habitat Awards Presentation Event

Due to the ongoing COVID-19 pandemic, the 2020 Gold Award winners were presented with their awards at a special online presentation event in October 2021 – as part of UN-Habitat's Urban October. In addition to the two

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World Habitat Awards Gold winners, the event also showcased and celebrated the work of the winners of our first **Outstanding Contribution to Housing Award**, TECHO.

The event - **Preventing homelessness, combatting the climate emergency and providing emergency housing – a celebration of outstanding housing solutions** – opened with a film featuring the remarkable work of all three projects and was followed a discussion with project representatives and leading housing experts, including:

- Leilani Farha, Global Director of The Shift and World Habitat Awards Final Judge;
- Christophe Lalande, Head of Housing Unit at UN-Habitat; and
- Claudia Murray, Research Fellow at the School of Real Estate and Planning at the University of Reading and World Habitat Awards Advisory Group member.

The event was hosted by our Chief Executive, David Ireland.

The headline message from the discussion, and Q&A session that followed, was that national governments need to urgently meet the challenges posed by both the climate emergency and the need to fulfil the right to housing for everyone. And while many NGOs and local governments are responding to these challenges, the scale and urgency of these crises requires national governments to fund and legislate to provide and support solutions where they are needed.

The event, including the associated films, was attended - and has been subsequently viewed across our channels - by over 3000 people.

Innovating, scaling up and transfer – We will bring people and ideas together to help transfer and exchange ideas to new places where they are needed most.

Through our exChange events and other activity, World Habitat continues relationships with organisations after they have won World Habitat Awards. This enables projects to not only further develop and raise their profile and impact, but also to highlight and showcase their great practice and processes to inspire other organisations to emulate their work – particularly where it is needed most.

Due to continuing global COVID-19 restrictions throughout 2021, World Habitat conducted the vast majority of our events virtually.

The Aga Khan Agency for Habitat, Pakistan

Our most high-profile events of the year were held at the UN Climate Change Conference - COP26 – in Glasgow, in partnership with AKAH, Pakistan. (see section on COP26)

In addition to this, we co-hosted - and our Chief Executive, David Ireland, spoke at - an international seminar exploring how AKAH Pakistan can expand their work integrating disaster risk management across the country.

It was hosted in partnership with the Ministry of Climate Change, Pakistan; UN-Habitat; and World Habitat, in celebration of World Environment Day in June and the start of the UN Decade on Ecosystem Restoration.

The event recognised Pakistan's restoration initiatives and its role in global efforts of environmental protection - acknowledging the urgency of preventing, halting and reversing the degradation of ecosystems worldwide. The event began with remarks from Malik Amin Aslam, Special Assistant to the Prime Minister on Climate Change in Pakistan.

Newcastle City Council

World Habitat's endorsement of the Newcastle City Council's approach created confidence that preventing homelessness at the earliest opportunity is the right thing to do, despite it not being a statutory right. The Award galvanised the city to strengthen the importance of making the prevention of homelessness everyone's business. They strengthened their messaging, communications and approach on focusing on all residents having suitable and sustainable homes.

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Partly as a result of winning a Gold World Habitat Award, Newcastle City Council was invited to present their work in a number of international events. The following were great opportunities to share their message and learn with wider audiences.

- The Shift, Municipal working group in Canada, Dec 2020.
- Conference #Housing2030 – Housing Europe, UN-Habitat and UNECE, Feb 2021.
- Preventing Homelessness in Migrant Communities - Peer Learning Event. UN-Habitat, May 2021.
- World Habitat Awards winners' presentation, World Habitat, Oct 2021.
- Annual Summit for the Vanguard Cities, Institute of Global Homelessness, 4 November 2021.
- Association of Charitable Foundations (ACF)'s Housing and Homelessness Network - Network Meeting, Nov 2021

Newcastle City Council's work on homelessness prevention has been reviewed in these presentations and has led to the development of aligning this programme with the work of Community Solutions and the Centre for Homelessness Impact.

The Gold World Habitat Award created positive expectations that helped Newcastle to improve the articulation of its approach. This has had many benefits including reviewing and simplifying their key performance indicators to help create a citywide focus on having no rough sleeping, no one living in bed and breakfasts, and no evictions into homelessness.

TECHO

World Habitat supported TECHO to deliver their **Latin American Housing and Habitat exChange**. We helped them identify external contacts from our previous World Habitat Awards winners and from the Award's Advisory Group members, some of whom attended sessions and provided their expertise. The meeting brought together directors, co-ordinators and volunteers from 18 countries across Latin America and the Caribbean in which they operate. It provided opportunities for vital collaboration and capacity-building across three main thematic areas: risk reduction; environmental issues; and sustainability of habitat projects. These were explored during the three-day event, which included talks by external experts and TECHO staff; sessions on sharing good practice; workshops on risk reduction plans; and training and development opportunities.

This was the first event to take place as part of an ongoing partnership between TECHO and World Habitat, following the presentation of an Outstanding Contribution to Housing Award to TECHO in December 2020 – the first award of its kind from World Habitat.

The next steps will include the creation of new approaches and strategies to support vital risk-reduction in the communities and settlements where TECHO works. A database will also be developed which will detail the work of teams in different countries to share knowledge and processes to support others in planning their own responses to habitat improvement.

"All participants shared their joy and were grateful, asking for these spaces for exchange to be more frequent. These thanks are extended from TECHO to World Habitat for making this possible."

Carol Solórzano Canales, Partnerships and Co-operation Co-ordinator at TECHO.

Supporting the Koraga community, Karnataka, India

The organisations - **ActionAid India, Samagra Grameena Ashram (SGA) and the Koraga Federation (who were Gold World Habitat Award winners in 2019)** – continue to work with the Koraga community, with the support of World Habitat, to meet the following objectives over a two-year period.

- Supporting 25 Koraga families each year to attain their right to live, livelihood and dignity through eco-sensitive, natural and organised farming.
- Constructing 25 new houses a year in the agricultural farm - to lead a dignified way of life and have a decent environment to live in. For this purpose, technical guidance is taken from NIVAS, a Bangalore based NGO working on low-cost, quality house construction.
- Capacity building of 25 Koraga families each year through meetings, training, and awareness-raising activities.

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- Organising supportive efforts to mobilise human and financial resources from various government departments, such as access to water for drinking and irrigation; seeds, seedlings and plants; animal husbandry; organic manure; training and raising awareness, construction of the roads, toilets and bathrooms; access roads and electrification.

Highlights from the activities carried out between December 2020 and September 2021 include the following.

- Discussed the project's objective, vision and mission, strategies and activities with Koraga Federation Governing Body and identified a member of the Koraga Federation (Diwakar) to work as full-time member of staff under the Koraga community development project. Diwakar started work in December 2020.
- Rapport with the families: Diwakar was able to build rapport with each of the 25 families through home visits. A Focus Group meeting was organised to discuss the communities' engagement with organic agriculture. An action plan was drafted.
- Land Survey: All the families made an application to the Assistant Director of Land Records (ADLR) and conducted a land survey providing boundaries of one acre of land per family.
- Cleaning and levelling of the land for initiating agricultural activities. The Integrated Tribal Development Department (ITDP) paid the wages as per the guidelines of Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA). Fifteen families, who were involved, earned a sum of Rs.36,000/- for their labour.
- An action plan was prepared and instigated for land development and housing. It was submitted to the Integrated Tribal Development Department.
- Capacity building: A two-day training activity on natural and dry land agricultures was organised at Krishi Vijnyana Kendra (Agriculture Science Center) for the members of the 25 families.
- House construction: An application was submitted to the Integrated Tribal Development department for 15 new houses. This will be carried out with the assistance of NIVASA Bengaluru, to build low-cost, high-quality houses while considering the Koraga communities' identities.

The Heritage Foundation of Pakistan

Five World Habitat Centres have been constructed by our 2018 winners - the Heritage Foundation of Pakistan. Due to the COVID-19 lockdown restrictions, alongside extreme weather events, progress has been slow. However, another 11 centres are currently being built and will be completed in the first few months of 2022.

After COVID restrictions were relaxed in the second half of 2021, a total of five workshops took place, including for community members from various villages of Sindh who received training in earth/lime brick making and smokeless Pakistan Chulah stove construction. The Chulah training is now an integral part of training using Zero Carbon construction techniques, which is helping the spread of earthen stove building in Pakistan.

In addition, a Pakistan Chulah building video tutorial was developed in 2021 as an open-source tutorial on Yasmeen Lari's (co-Founder and CEO of the Heritage Foundation) Zero Carbon Channel on YouTube, which has encouraged self-building and increased awareness of earthen stove building around the world.

Nubian Vault Association, The Sahel Region of Northern Africa

Over the last two years, we have been working on an accounting protocol with the Nubian Vault Association (AVN) - a 2016 World Habitat Award winner that builds low-carbon homes in the Sahel region of Northern Africa.

We commissioned and funded research with [myClimate](#) to develop an accounting protocol (according to ISO accreditation 14064-2). This protocol accurately calculates the expected CO² emissions in a standard (25m²) Nubian Vault house over the 30-year lifetime of the building, against the carbon that would have been emitted by the construction of a cement block house - the default construction type in the Sahel.

AVN's project is now listed with [Sweep](#) - a carbon finance and offset platform - which enables companies to fund vetted climate projects. This accounting protocol is the first time that a model has been developed to measure carbon emissions for the construction of houses in the global south which is compliant with the ISO.

World Habitat is currently undertaking research on climate finance and looking for potential ways for others in the housing sector to invest in similar low-carbon projects.

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Ending Street Homelessness in Europe - We will work intensely with a group of European cities to help them first reduce, and then end, street homelessness.

For the last five years we have led the European End Street Homelessness Campaign - a network of local city campaigns, all working with the same set of principles to end street homelessness in their communities. It is our pleasure to continue to host this growing movement of committed and passionate housing advocates – championing permanent housing solutions and fighting for an end to street homelessness.

2021 was a year in which the continuing COVID-19 pandemic developed from a global emergency with immediate consequences to a longer-term policy issue. Initial successes, driven in large part by major local and national responses, began to turn from necessary quick fixes to long-term solutions. By the end of 2021 in the UK alone, it is estimated that £750m has been spent on tackling homelessness. A staggering amount, yet much of this continues to be spent on alleviating homelessness with temporary solutions. In many countries across Europe this level of investment in ending homelessness remains out of reach. What is clear, more than ever, is that the need for permanent housing - and somewhere safe to stay - is not only the answer but the only policy solution.

The European End Street Homelessness Campaign works with partners who understand this challenge and recognise how their system needs to change. World Habitat is committed to not only work with those that have the necessary finance, buildings and political backing. We understand that the homelessness crisis exists across Europe and are excited that in 2021, we welcomed new partners into the Campaign, from Budapest, Zagreb, and Lisbon. Each with a specific starting point and with a unique housing context, but also with an existing desire to share knowledge and learn from others with the same overall aims. All are committed to our key principles and understand that housing is not only a fundamental human right, but a basis for human dignity.

"It is a great pleasure to join the European End Street Homelessness Campaign. A campaign aligned with CRESCER's goals which believe, and fight for, the possibility to live in cities where no one experiences homelessness. This campaign acknowledges people's agency in defining their own goals and promotes effective responses and politics targeting people's needs. We are grateful for the opportunity to expand our network, and – together – continue raising social and political awareness of people's skills and competencies, needing to be supported through community integration where housing is the first step and a universal right."

Américo Nave, Executive Director of CRESCER, Lisbon

"We are extremely pleased to have become part of a campaign to end street homelessness. Poverty is a burning issue, and homelessness is the most severe form of poverty. Therefore, networking, co-operation, solidarity and effective poverty reduction policies become imperative. We believe that through this campaign – together we will have a greater voice in raising public awareness and influencing public policies, in order to improve the social inclusion of the homeless."

Sanja Blažeković, Expert Associate for the development and improvement of the Croatian Network for the Homeless

As our campaign has grown, we have seen great successes across the year. Despite COVID-19 impacting on our ability to travel and promote physical learning exchange, we have adapted our approach to enable local partners to have real impact on challenging mindsets about homelessness and developing local housing solutions – sometimes against all odds. We have seen new housing projects starting in Bratislava, the growth of the Housing First programme in Leicester, and major ongoing success as Homeless Network Scotland continue to branch out Housing First across Scotland with their Housing First Pathfinder.

"We are proud to support opportunities for people affected by homelessness, so that their voices – so often marginalised – are heard."

Eilidh Stringer, Development Manager, Leicester Homelessness Charter

Working closely with our partners in each city, the Homelessness Programme Team have utilised our Innovation Fund to stimulate small-scale actions, pilot programmes, evidence-gathering exercises and public-engaging campaigning work. With a total of nine grants given in 2021 - and running a fully online programme of support through individual coaching, bespoke support, exChange workshops and social media campaigns – the homelessness programme at World Habitat have ensured that ongoing pandemic restrictions have not been a barrier to building a committed and engaged community across Europe.

We also recognise that we are not alone in calling for solutions to end street homelessness however, and in 2021 we learnt from the successes delivered through the pandemic by making a commitment to working together. Our social media campaign for International World Homeless Day centred on theme of 'Working Together to

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#EndStreetHomelessness', continuing to build solidarity between partners across the campaign, and on World Homeless Day itself – Sunday 10 October - reaching around a third of a million users and almost ten million impressions on Twitter.

We cannot operate in isolation, and World Habitat used our global influence to join campaigns across Europe including: #SupportDontDeport which called on UK authorities not to wrongfully deport EU nationals found sleeping on the streets; we co-authored a report entitled 'Homeful – Exploring housing-led approaches to resolve and prevent homelessness' for the Chartered Institute of Housing Presidency of our Board member Jo Richardson; and added a valuable international spotlight on housing rights abuse by joining a Hungarian campaign to protect social housing. We cannot be silent on housing injustice – and in the coming years our programme will look to influence policy and practice through direct delivery and in coalition with others to achieve the impact we need.

CASE STUDY: BUDAPEST, HUNGARY

Hungary endures a 'perfect storm' when it comes to housing inequality and street homelessness. With around three million people living in housing poverty in the country – living conditions, rental costs and access to housing for social work organisations is at crisis point. For those that find themselves excluded from housing and are forced to live on the streets or in shelters in the surrounding areas of Budapest – the Hungarian government's criminalisation of homelessness places people in grave danger.

The 2020 World Habitat Awards Bronze winner 'From Streets to Homes Association' work to address this with programmes inspired by the principles of Housing First. They joined the European End Street Homelessness Campaign in the summer of 2021 committing to working long-term through our homelessness programme.

By the end of 2021, From Streets to Home Association have accommodated 72 individuals in permanent homes and run vital employment programmes for people at risk of homelessness in the city. In December 2021 - through a partnership with the Budapest Research Institute and with funding from World Habitat Innovation Fund - From Streets to Home Association developed a handbook on creating a social housing agency.

This commitment to scaling-out positive housing practice is one that sits within World Habitat's vision of a world where everyone has a safe and secure place to call home, as part of a successful community.

"We have joined the Campaign to share our own experiences with other cities and learn from the best practices and innovative solutions being used elsewhere in Europe. As a member of the Campaign, we can amplify our voice in advocating for the changes we know are needed to tackle homelessness and housing exclusion in Budapest and throughout the country."

Vera Kovács, CEO, From Streets to Home Association, Budapest

CASE STUDY: BRATISLAVA, SLOVAKIA

As homelessness is not legally defined in Slovakia, homeless people are not recognised in law as in need and eligible of support. With over 90 per cent of Slovaks being home-owners, there is a shortage of rental properties for those who cannot afford to buy, compounded by an absence of social housing. NGO STOPA Slovensko leads the European End Street Homelessness Campaign in Bratislava. It conducts street outreach programmes, raises public and political awareness of homelessness, and works towards sustainable housing solutions.

During 2021 STOPA Slovensko created greater public awareness of homelessness and related issues, through a new communications plan, including a successful public awareness campaign on empty properties in Bratislava, and launched two ground-breaking videos – 'Outsiders' – with support from our Innovation Fund.

To build their evidence base, they held a third annual street survey, conducted by staff and citizen volunteers in three areas of Bratislava. Survey teams identified the numbers sleeping on the streets and spoke with people about their circumstances - helping to identify gaps in local services, share urgent public health information about available COVID-19 vaccines and providing data and evidence to local policy makers about what needs to happen to tackle street homelessness in the city.

The annual street survey, conducted in September 2021, found that the majority of people who are street homeless are men between 35 and 45 years of age. Despite the predominance of men in their sample (two-in-three - 65%), the high proportion of women (one-in-three - 35%) was alarming, especially as there are no

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specialist services for women on the streets.

The campaign secured political and practical support from several local mayors in Bratislava for new permanent housing solutions. STOPA Slovensko continued to develop its unique, integrated housing and support model, which includes:

- elements of Housing First, to offer accommodation plus wrap around support as needed; and
- plans to introduce a modular housing project to help address the lack of available, affordable rental and social housing.

STOPA Slovensko say they have really expanded their vision and model since they joined the campaign in 2017, particularly through developing a strong focus on sustainable housing and integration. They have utilised our Innovation Fund grants to strengthen their public-facing communications and actions. And they have valued exchanges of knowledge and experience with the other campaign cities.

Future plans for their work in Bratislava includes further street-based and creative actions to raise public and political awareness of homelessness and potential solutions. They will continue to work - and share - with other cities and organisations across Europe, aiming to become a stronger voice and a relevant partner for EU institutions and promote interests globally, while also respecting local specificities. STOPA Slovensko will work positively with other stakeholders to develop their integrated model, find solutions to homelessness and not just apply 'bandages'.

"We believe that a globalised voice calling for the prevention and ending of homelessness must be heard at a time when other equally important topics, such as health and climate, are coming to the fore."

Pavol Sabel – Director STOPA Slovensko

Global Community-Led Housing – working with precedent-setting partners across the world to introduce community-led models that enable access to affordable and secure housing

Globally, there has been an increasing trend in the financialisation of land and housing – with strong market pressure to prioritise economic gain over the right to adequate shelter. Displacement and poor living conditions are therefore a growing risk or a reality for far too many people around the world. Currently most countries only offer a range of housing models mostly centred around home ownership and rental solutions that are not always affordable to low-income groups, alongside a varying degree of public housing provision which often struggles to meet demand.

Additionally, the climate emergency is displacing communities - living in fragile eco-systems - at an alarming rate, as their areas and lives change to new global weather patterns. Millions are already migrating in search of new homes, and this number is only likely to grow.

Recognising the challenges, many communities are coming together to create housing models that challenge threats to their access to secure housing. Residents and their allies have learnt about community-led models that have emerged across the world and are now creating precedents in their own countries and regions.

At World Habitat we believe in the need for models that increase the availability of long-term, affordable and sustainable housing for low-income groups, and which also guarantee security of tenure. We value solutions that influence policy and practice and enable systemic change to ensure greater resilience and housing opportunities for those who need it most. Our Global Community-led Housing (GCLH) programme collaborates with individual community-led housing projects in implementing ground-breaking pilot projects. We also help build international networks to support projects in exchanging skills and knowledge across continents.

Favela Community Land Trust, Brazil

Since 2020 we have been working with our partners in Brazil – Catalytic Communities - on the Favela CLT project which aims to introduce and adapt the Community Land Trust (CLT) model to Brazil's favelas. Originally focused on resident engagement in the pilot community of Trapicheiros - by delivering diverse workshops, meetings, events and door-to-door activities, along with community mapping and planning processes - the project has also worked on the design of a Federal CLT law to facilitate the implementation of CLTs across Brazil.

In 2021, the GCLH programme supported Catalytic Communities to focus on broadening their approach by identifying and connecting with housing rights movements; community leaders; favela organisations and

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quilombos (Afro-Brazilian settlements that originate as communities of people escaping slavery); NGOs; and researchers from all across Brazil.

Representatives from all 26 states attended the country's first three-day Favela CLT seminar. This explored key aspects of CLTs, the relevance for informal settlements within the housing and land context, details about legal structures and comparisons with other types of land titles and a focus on CLTs around the world. This event was followed by a seminar for parliamentary aides to support the integrating of key agents that work on housing within the public domain. The proposed Favela CLT has been included in Rio de Janeiro's updated Master Plan, which will be voted on by the City Council in 2022.

Catalytic Communities also launched the new Favela CLT website and social media group and carried out an awareness-raising campaign which has been essential to 'mainstream' the concepts around CLTs.

The Favela CLT project also featured internationally through the webinar 'The Experience of Community Land Trusts in Latin America' which was co-organised with the Fideicommissa de la Tierra Caño Martín Peña as part of the International CLT Festival and UN-Habitat-Brazil's Urban October programme of events.

'In 2021, we made progress...with great success. We now hear about Favela CLTs organically coming up in discussions by urban planners, community leaders and social movements across Brazil. At the same time, we successfully advocated for the inclusion of the Favela CLT in the Rio de Janeiro Master Plan, a process that involved the dissemination of the project to many key stakeholders in the city and which opens up a huge opportunity for the project. Before, we imagined seeing our first Favela CLT in some 15 years, we now can imagine scenarios where this might come to pass in a few short years.'

Theresa Williamson, Executive Director of Catalytic Communities

Community-led development in Dhaka, Bangladesh

Since 2019, the Council of Minorities - a Dhaka-based NGO - has received support from our GCLH programme for their community-led development project to support the camp-dwelling, Urdu-speaking community secure land rights and upgrade their housing and infrastructure.

Progressing from the first phase of the project – which included community engagement and social and physical mapping of the camps – in 2021 the Council of Minorities expanded the documentation and understanding of housing conditions and residents' views in order to inform future plans for the area. This was carried out through household-level data collection in the two target camps: Geneva Camp and Adamji. The surveys focused on demographics, current housing conditions and investments, tenure security concerns, and land/housing goals for the future.

With training from the organisation Cadasta, the project enabled local surveying teams to develop new skills on data collection, management and analysis. In total, over 8000 surveys were completed, providing crucial data for follow-up strategic planning and decision-making.

More than two-in-three residents (67%) expressed an interest in joining a community-led organisation to help them find solutions to their tenure insecurity and cramped living conditions.

The assessment of the data-collection findings from the surveys has since been shared with community leaders, followed by discussions on next steps for the co-creation of a not-for-profit community-based organisation responsible for governing the process of upgrading and land negotiation and management.

The Council of Minorities has also engaged with longstanding expert organisations and professionals on urban planning, community led processes, media and legal matters to gather their support, share their knowledge and reinforce the Council of Minorities' work.

International collaboration

CoHabitat Network

We have been a key partner in developing and maintaining the global CoHabitat Network, an international community-led housing network facilitated by the Swiss-French NGO urbaMonde and involving key global organisations.

During 2021, together in collaborated on:

- two sessions between all CoHabitat partners to enable global exchange of information and ideas on key areas of work;
- a report on Access to Land & Finance for Community-led Housing with key lessons from projects in Africa, Latin America and Europe;
- a webinar on Land & Financing for Community-led Housing: learning from successful projects from Myanmar, Spain and Switzerland;
- CLH in the spotlight a workshop for network partners to showcase community-led housing projects from Bangladesh, Brazil, Namibia, Thailand and Vietnam; and
- a social media campaign during Urban October to raise awareness of the CoHabitat Network and of inspirational community-led housing activities from across the world.

"Moments and processes like this [CLH in the Spotlight] are in fact doing something extraordinarily important which is to re-write the history of how cities build, and in re-writing the history, they are also re-writing the future of how cities should and could be built. What I see here...are all extraordinary stories by ordinary people that build, run, maintain, and make cities what they are."

Adrian Allen, Habitat International Coalition

MOBA Housing SCE

We continue to work closely with MOBA Housing SCE – a regional network of emerging housing initiatives in Central and South Eastern Europe. Through our GCLH programme, we provide both advisory and financial support.

MOBA members and their partners have been carrying out key activities to create an enabling environment for rent-based housing co-operatives across the region to increase the availability of affordable and anti-speculative housing solutions. They do this through both establishing pilot projects, and the creation of umbrella organisations that can influence policy and support new initiatives to emerge.

During 2021, our MOBA-World Habitat Cooperative Housing Development Grant pilot programme enabled MOBA to channel grants to five community-led housing projects. The breadth of the grants reflects the different starting points of each community and the practical steps needed to realise their ambition of community-led housing. They also provide important evidence that we can share with other communities about how to develop community-led housing – inspiring and enabling a much wider group of communities.

Our grant programme has funded a range of activity with the following organisations.

- **ZOA (Croatia)** wanted to bridge the gap between co-operative housing as a theoretical model and a viable, affordable policy solution that could be implemented throughout the country. Our grant enabled them to adapt established international practices by involving legal, real estate and construction experts. They created a step-by-step strategy aimed at local governments, conducted mapping of Zagreb city-owned lots suitable for co-operative housing, developed three conceptual architectural projects and related financial models.
- **První Vlastovka (Czechia)** managed to secure commitment for co-financing towards the purchase of their first house that will be transformed into a housing co-operative. With the support of our grant, they have paid external experts to help them develop a detailed professional business plan, which they were required to submit to banks in order to obtain the additional finance.
- **Rákóczi Collective (Hungary)** have worked to further the legal, institutional and financial infrastructure of rental housing co-operatives. With the support of our grant, they created two legal entities: an umbrella organisation for rental housing co-operatives and an association that will be working on recruiting new

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members into the housing co-operative movement. They also influenced the development of the Housing Strategy for the City of Budapest to include housing co-operatives.

- **Pametnija Zgrada (Serbia)** developed a process of purchasing land for a pilot project by creating a shortlist of possible locations to fit the group's criteria alongside a financing plan for the land purchase. They identified several potential plots and have pre-booked one specific site for a pilot project.
- **Zadrugator (Slovenia)** wanted to take positive action against the unfavourable political landscape which blocks the further development of housing co-operatives in Slovenia. They used our grant to develop a publication: Best Practice Examples of Housing Provision Models - and organised several public events to showcase co-operative housing as a viable and much-needed model. Additionally, they have installed a Monument to the Housing Crisis in the centre of Ljubljana and were able to gain positive coverage in the main media outlets. They successfully facilitated the inclusion of housing co-operatives in an intervention law on public housing provision put forward to the National Assembly.

We are also associate members of MOBA, and as such have participated in the networks' ongoing strategic development, information sharing and peer-to-peer training initiatives.

Centre for CLT Innovation

We also contributed, through both a grant and our participation, to the first ever Community Land Trust Day and two events of the first edition of the International Community Land Trust Festival, organised by the Center for CLT Innovation. These new initiatives were particularly important in consolidating the global CLT movement and in sharing knowledge across continents. The Center has committed to increasing access to materials and knowledge around CLTs and enabling language accessibility, and, as such, these two initiatives reinforced the availability of shared learnings in a multi-lingual and trans-national way.

In addition, World Habitat also has a presence on the Center for CLT Innovation's advisory board, actively participating in the Research and Training and the Global South Working Groups.

"World CLT Day...no one had attempted a global event of this nature for the CLT movement before. People responded, with 86 organisations...contributing content – and many others reposting to spread the word."

Greg Rosenberg, Co-ordinator, Center for CLT Innovation

Evaluation

The GCLH programme underwent an external evaluation in order to assess our impact and gather strategic and practical recommendations for the programme's future. The evaluation process was carried out by Thomas Moore of the University of Liverpool, UK and involved key stakeholders across the programme and within the community-led housing sector. The process has been incredibly insightful and has enabled us to take stock of the programme's legacy to date.

Some key findings include the programme's effectiveness in supporting the creation and consolidation of international networks, and the resulting increases awareness and promotion of CLH, the contribution to local project development, the sharing of both skills and knowledge.

The network building and transnational exchange is considered extremely valuable to partners, and we can already see evidence of ripple effects that go beyond activities funded directly. Another encouraging finding was the fact that existing funding processes by World Habitat were considered manageable and useful for early-stage projects in the community-led housing environment, which contrasted to other funding sources that partners found more inaccessible or burdensome.

There were some constructive suggestions about how we could improve processes, but overall, it was helpful to hear that World Habitat is considered not only as a funder, but as a partner.

In addition, the stakeholders expressed a desire for a strong focus on areas of environmental sustainability and inclusion of marginalised groups – which reflects World Habitat's goals in terms of our priority commitments on climate action, and on equality, diversity and inclusion.

The evaluation included a series of recommendations – and as we review the programme's strategy and action plan for the programme, World Habitat will be responding and incorporating these from 2022.

Leeds Community Homes

Leeds Community Homes is an umbrella Community Land Trust. It was set up by two of our World Habitat Awards finalists - Canopy and Lilac (alongside five other Leeds-based community organisations) to help communities across Leeds to create new community-led homes either by building new homes or bringing empty homes back into use. In 2015 World Habitat provided the initial start-up funding, to help establish Leeds Community Homes – a Community Land Trust that was Leeds community Homes

We subsequently made a £25,000 social investment in Leeds Community Homes through a community shares issue. Leeds Community Homes set a goal to raise £360,000, and successfully achieved it. This investment enabled the purchase of 16 permanently affordable flats on an eco-development in Leeds's Climate Innovation District. The funds also enabled the development of proposals for future projects to build more affordable homes. Nine of the homes have been made available for discounted rent, while seven will be sold at 60 per cent of market prices, a figure agreed by members to be genuinely affordable. The new homes are wood construction, reducing embodied energy costs. They are so well insulated that a boiler was not needed. Heating needs are so low that they can be met with 100 per cent renewable energy. During 2021 the fund generated a two per cent return on the value of the investment.

Leeds Community Homes plan to build 1,000 environmentally, high-performing, community-led homes in Leeds by 2028. These new homes will be affordable to local people both now and for future generations.

COP26 – The UN Climate Change Conference

World Habitat and the 2020 World Habitat Awards Gold Winner, The Aga Khan Agency for Habitat, Pakistan, (AKAH) held two events at COP26 in Glasgow. Our involvement aligned with the UK Presidency campaign's theme of adaptation and resilience and the events strategically corresponded with the UK Government's shift towards greater climate resilience efforts abroad.

Our objectives for attending COP26 were to:

- heighten international exposure and awareness of AKAH's work and expertise;
- provide a collaborative platform for sharing knowledge around mountainous communities; and
- explore potential partners for new initiatives and scaling-up, or replication, of their award-winning project.

Public Event: Combining Indigenous Knowledge and Technology to act on the Climate Emergency

This event – which was fully-booked within a few hours - highlighted AKAH's Gold Award-winning project, which harnesses local indigenous knowledge with technology to create effective solutions that respond to the climate emergency. This enables people to build safer homes and communities. The event included a documentary, followed by a panel discussion and question & answer session from the audience.

The event featured prominent and influential speakers, including: Khalid Khurshid, Chief Minister of Government of Gilgit Baltistan, Pakistan; Onno Ruhl General Manager of the Aga Khan Agency for Habitat (AKAH); Louise Winterburn, Deputy Chief Executive of World Habitat; and Maimunah Mohd Sharif, Executive Director of UN-Habitat.

"We should place people at the centre of our thinking and action...climate change is the single biggest threat to sustainable development. We are proud to be co-operating with the World Habitat Awards to find solutions to some of the world's major housing challenges."

Maimunah Mohd Sharif, Executive Director, UN-Habitat

Amplifying local indigenous and community voices is vital to designing inclusive and impactful solutions to the climate emergency. Featuring the experiences of those who could not attend COP26, particularly given their role in AKAH's work, was therefore crucial. Especially as these communities are experiencing the most severe impacts of the climate emergency while contributing the least to it. World Habitat and AKAH produced a documentary – Rekindling Hope – which not only illustrated the environmental challenges faced by local communities but also detailed their solutions. The documentary was built around key community voices who shaped the project and its success.

This event was included as part of a special feature on COP26 by the German news channel Der Spiegel.

Private Event: Film Premiere and Roundtable Discussion

This event was an open dialogue for exploring platforms and partnerships to advance locally-led adaptation action and mountain development. Chief Minister of Government of Gilgit Baltistan, Khalid Khurshid and AKAH were interested in gauging opportunities to develop an international forum focused on adaptation and resilience issues with mountainous communities, particularly having seen the success of the small island states' collective action and advocacy efforts.

Following the airing of Rekindling Hope, there was a collective discussion which:

- detailed the risks and challenges faced by mountain communities in the Gilgit Baltistan and Chitral regions, illustrating their unique position as the first responders to climate disasters;
- described and advocated for the needs of mountain communities to the international climate agenda;
- identified potential areas for collaboration, both domestically through bi-lateral partnerships and internationally through a global mountain network; and
- committed to green building standards and considered the carbon footprint of scaling adaptation and resilience work.

Key influential stakeholders attended this event, including representatives from Reall, Care International, Mountain Partnership Secretariat and the Women in Engineering Society.

Given the success of World Habitat and AKAH's exChange collaboration, the organisations have agreed to continue their engagement and partnership in the coming years.

"Through the partnership with World Habitat, we were able share our message on the global stage at COP26, shedding light on the challenges faced by mountain communities in an often-overlooked frontline of climate change. We were able to bring their voices into the global conversation, showcase successful examples of locally-led climate change adaptation and start a dialogue around how international partners can support and scale these solutions. We are grateful to the World Habitat team for their support in strengthening and spreading our message that mountains matter to us all and recognising the contributions of mountain communities to the resilience agenda."

Onno Ruhl, Executive Director of AKAH

Our Land

World Habitat owns a small portfolio of land local to our office in Leicestershire in the UK. The land was bequeathed to the organisation when it was established. It is largely rented to local farmers and used for agricultural purposes. In the past some land has been sold and the proceeds invested to provide income for the charity.

During 2021 we carried out maintenance work at the Peter Elderfield Wood. A 27-Acre area of woodland planted in memory of our founder. This continues the improvements detailed in our 10-year management plan and included mowing the rides, thinning of the trees - carried out by a wood fuel group organised by the Conservation Volunteers and drainage work near the Forest Rock boundary.

Climate Action at World Habitat

In 2021 World Habitat set a more ambitious goal of becoming a net-zero organisation as soon as possible and certainly no later than 2030. Based on our 2016 carbon emissions baseline, we will reduce our total carbon emissions to 8.64ton CO₂e per year which equates to a seven per cent reduction year-on-year, in order to achieve our 2030 net-zero target.

To support this commitment, we have taken the following actions.

- We have implemented a sustainable business travel policy and set up a 'cycle to work' scheme.
- We have aligned our investments with our organisational values to ensure that our investments are free from arms sales to military regimes, unethical lending practices, human rights violations, environmental degradation and activities – such as fossil fuel extraction – that are incompatible with the 2015 Paris

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Agreement to limit the increase in global average temperature to 2°C and pursue efforts to limit the increase to 1.5°C.

- Our staff members have undertaken Carbon Literacy Training and received their Carbon Literacy certification.
- The process to integrate carbon reduction in our work, with each programme team, has been given extra focus, particularly on activities where we can reduce our emissions and help meet our net-zero target.
- We have signed up to UN Race to Zero Campaign, the world's largest coalition of organisations committed to reducing their carbon emissions in line with the Paris Climate Agreement.

We will be as transparent and accountable to others on our commitment and journey towards net-zero. We believe it is important to share our learning and work with others to have a positive impact on the climate crisis. We are a signatory to the [ACF Funder Commitment on Climate Change](#), which consists of six commitments or goals that World Habitat and other signatories pledge to work towards to play our part in tackling the causes and impacts of the climate emergency. We have also achieved [PlanetMark certification](#) which recognises our commitment to reduce our carbon footprint by at least five per cent per year.

We are committed to continue to learn, innovate, and find ways of achieving the impact we need to have as an organisation, without contributing any unnecessary greenhouse gas emissions. We will also be engaging with our external partners and hope they will join us on this journey towards net-zero.

In 2021, our carbon emissions were 15.07 tonnes. This is a 45 per cent reduction from last year's carbon footprint, with staff mainly still working from home and not taking international travel due to the COVID-19 pandemic.

Charity Code of Governance

In 2018 World Habitat signed up to the Charity Code of Governance. This code is a practical tool to help charities and their trustees develop high standards of governance. The principles are based on, but go beyond, legal requirements. The code says that it is deliberately aspirational. It is produced by a large group of charities including NCVO and ACEVO. The Charity Commission has observer status.

There are two versions of this code. World Habitat has adopted the version for larger charities.

We review all our governance policies and activities annually and measure them against the code. During 2019 World Habitat reviewed all its activities to ensure they meet the code's recommendations. Trustees agreed that any areas where we do not meet the standard we will publish in the annual report.

Trustees agreed that in 2021 the charity is fully compliant with the Charity Code of Governance. The trustees and Senior Management Team will review this on an ongoing basis.

Future Plans

2022 is a significant year for World Habitat. We hope that it will be a year when the Covid pandemic declines and fewer people suffer from the disease or its social impacts. We are conscious that whenever the pandemic ends we emerge as a different organisation into a different world.

Covid has exacerbated social disparities and given a greater urgency to many of the priorities and issues that World Habitat aims to impact upon. People's experience of the pandemic has been heavily influenced by their prosperity and level of household security. The effect of Covid has been to exacerbate differences that existed before. Housing inequality has increased making it harder to end homelessness, and putting more people at risk of facing it. Despite early hopes of a green recovery, carbon emissions have raced back and the window to avert climate disaster has narrowed.

Despite the challenges, much good has come out of people's response to the pandemic. A greater sense of community a recognition of the importance of housing, a realisation that social change can be achieved quickly through initiatives such as the emergency housing of street homeless people at the start of the pandemic. Improvements in electronic communication have improved participation and reduced the costs of international collaboration. World Habitat's on-line events have been transformed and have proliferated. It is an irony that during a time when travel was severely limited we met more people from more countries than ever before. We want to ensure we don't lose this valuable advance in our work.

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This year we will begin work on an ambitious new strategy that will guide our work for the next three years. This strategy will build on our previous achievements and aim to help marginalised communities and those on low incomes to benefit from a green and socially-just housing recovery to the pandemic.

We will build on the advantages of the ways of work we have developed over the pandemic. We will develop greater use of electronic events and targeted international visits where it is practical, to inspire, encourage and increase people's knowledge, so solutions are brought to more housing problems.

We are preparing for an important developments of our board of trustees. Welcoming new trustees and improving the depth and breadth of our organisational knowledge and experience. We will create a diverse policy advisory group to guide and advise world Habitat's policy direction. Membership of the group will be drawn from the global breadth of our work and will be geographically and culturally diverse to inform challenge and enrich the World Habitat's policy development. The group will consider new thoughts, ideas, and perspectives and make recommendations to help us improve our policies and practices.

We will develop our own policies and practices so that we improve on our accreditation from the Centre for Diversity.

We will update and improve our carbon policy so that the benefits and improvements we have adopted in response to the Covid pandemic are maintained. We will revise our targets to deliver a more rapid pathway to net zero emissions before 2030. Promote and encourage our partners to seek a faster route to net zero, and through our programmes and exchange activities encourage adaption measures to keep people safe from the inevitable threats caused by global temperature increases. We are conscious of the huge amounts of greenhouse gases emitted from the construction of homes and their ongoing use. Our work at COP26 demonstrated to us the huge decarbonisation task that our partners face. We think that despite the challenges there is a route to a faster decarbonisation of housing, and the Social Housing providers can provide leadership and demonstrate what can be achieved. We will carry out or commission research and use our influence to encourage a more rapid decarbonisation of social housing.

This year sees us finally open a new office in Leicester. Our moving plans have been delayed for two years by the pandemic. But as a result, we have developed our ideas and aim to establish a stimulating workplace geared for hybrid working and connected to our partners.

We will continue to work with the local community to provide greater public access, and undertake environmental improvements to our land assets. We will find new community uses for our buildings. We aim to leave a positive and lasting legacy in Coalville the town where we were based for the first 45 years of our existence.

How our activities deliver public benefit

When planning activities for the year World Habitat's trustees had due regard to guidance on public benefit produced by the Charity Commission. Our charitable activities focus on the prevention or relief of poverty, and the advancement of education for the public benefit.

In particular our programmes aim to increase the provision of adequate housing for people with few housing choices. Our work in operating and promoting the World Habitat Awards aims to fuel innovation and inspires others to adopt and adapt the best housing practice. The Awards also enable the best housing projects to scale up, expand and be replicated where they are needed most. This, we believe, will enable more people in housing-need to live in safe and secure housing.

Our Global Community-Led Housing programme aims to create the conditions in which community led-housing can be implemented in new areas, scale-up and expand. This will provide greater provision and greater choice of low-cost housing benefiting people on low incomes.

Our European End Street Homelessness campaign aims to first reduce and then end street homelessness in participating cities in Europe. Street homelessness is the most extreme form of social exclusion. People living on the streets have dramatically worse health, lower life expectancy and poorer life chances than others in society. This campaign aims to create the conditions in which people living on the streets are quickly and permanently housed.

Trustees believe undertaking our main activities described above fully meets the requirements of section 17 of The Charities Act 2011 to deliver public benefit.

FINANCIAL REVIEW**Overview of the year**

In 2018, the trustees carried out a detailed review of the charity's activities and produced a strategic plan for the direction and activity of the charity for the following three years (until December 2021). The implementation of the plan started during 2019.

The total income for the year was **£1,074,735**. This represents a 6.3 per cent reduction on the income in 2020 of **£1,147,178**. The reduction is primarily due to missing the quarter 4 dividend from Charifund after moving the investment funds to new ethical funds. The principal funding source is income received from financial investments (**£1,045,200** i.e. 97.2 per cent), with the remaining 2.8 per cent secured from grants, rental income, interest and sales. Expenditure in the year was **£1,002,416**. This was lower than income by **£72,318**. This was lower than budgeted expenditure due to lower office costs, with the office being closed due to the COVID-19 pandemic and lower programme costs due to there being no international travel. Events were held online, and local experts were used to carry out the evaluation visits for the World Habitat Awards.

Funds have been applied in respect of research costs and in the governance and administration of the organisation, with 92 per cent of funds expended relating to research and 8 per cent to governance and administration.

Investment powers, policy and performance

Under the Memorandum and Articles of Association, the charity has the power to make any investment that the trustees see fit. Investments are held to provide an income to further the objectives of the Foundation, both now and in the future. The investment policy has been amended to reflect the slight shift in emphasis towards income, rather than capital growth.

Capital appreciation of the investments continues to ensure that the value of the original gift is maintained in real terms, in the longer term, recognising that there will be short-term fluctuations due to changes in stock market values. World Habitat seeks to ensure that a sufficient income stream is generated to cover its current activities without incurring undue financial risk for the charity.

The income from the charity's investments reduced by 6.32 per cent from **£1,145,770** in 2020 to **£1,073,267** in 2021. There was an increase of **£2,708,216** in the valuation of the World Habitat total investment portfolio at the year end from **£32,507,584** in 2020 to **£35,215,800** in 2021. This increase allowed for the recovery in global equities after the COVID-19 pandemic and also the movement of the total investment assets to two new funds, the Cazenove Responsible Multi-Asset Fund and the Sarasin's Climate Active Endowments Fund. The charity also had £1.9m of investment assets included in cash investments at the year end. This was the result of the sale of the CCLA COIF Charities Property Fund, that was received on the 31st December 2021 and invested in the Sarasin's Climate Active Endowments Fund on the 3rd January 2022.

Key management personnel remuneration

Key management personnel are defined in the Charity SORP as *'those persons having authority and responsibility for planning, directing and controlling the activities of the charity, directly or indirectly, including any Directors of the charity'*. World Habitat trustees consider that key management personnel of the charity are: the trustees, the Chief Executive and all other members of the senior management team.

All trustees give up their time freely and no trustee remuneration was paid in the year. Details of trustee expenses are disclosed in note 8 to the accounts. One employee received remuneration above £60,000.

Trustees are required to disclose all relevant interests and register them with the Chief Executive and, in accordance with the charity's policy, withdraw from decisions where a conflict of interest arises. The pay of the senior management personnel is reviewed annually and normally increased in accordance with average earnings and set at market rates. The remuneration is also bench-marked with charities of a similar size and activity to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

Diversity, Equality and Inclusion

We are passionate about challenging the chronic injustice of the one in seven people across the world who live without a proper home. Our mission is to help those who live on the streets; those who have lost their homes due to war and disasters; and those who simply cannot afford to live where they need to. Everything we do is focused on understanding what works and getting solutions to the people who need them most.

As just one organisation operating across the entire planet, we know our staff and board of trustees can never be as diverse as the multiplicity of people we serve, but we are on a journey that aims to bring us closer. We are building an organisation and a work culture where difference is valued; where the views and insights of the growing network of people around the world we work with, enhance and enrich what we do, and ultimately make us more successful at achieving our mission.

What we are doing about it

- **Commitment to improvement** – In our 2019 – 2021 strategy we committed to improving diversity. We have agreed to increase diversity on the board, and introduced a ratchet so that diversity will not decrease again in the future. All staff and trustees have received diversity training. Our commitment to increasing our diversity will continue to be published on our website and reflected in our delivery plans with a set of clear actionable steps. We will ensure that our website and social media reflect this commitment.
- **A good employer** – We will update and commit to annual diversity monitoring. We will strengthen our recruitment process in line with good practice. We will commit to regular diversity training for all staff (at least once a year). We will investigate a range of diversity accreditation schemes and consider how they could help us continue to strengthen our work.
- **Improving how we work with others** – As a global charity we will take a range of actions to more effectively develop our approach to diversity and inclusion through our partnerships and the work we deliver. We will take active steps to improve our diversity and improve the impact of our programme delivery. We will increase our accountability and our understanding by building on the diverse nature of our networks to improve our work by actively involving them in shaping our work and actively seeking feedback.

2021 was a significant year, as the plans and approach we had implemented were recognised by the National Centre for Diversity and we received the 'Investors in Diversity Award' for small charities. We carried out our diversity monitoring for staff and trustees, and updated our recruitment processes to appeal to areas where we are underrepresented. All the staff completed an online course on diversity, equality and inclusion provided by the National Centre for Diversity.

We also signed up to the Stronger Foundations programme provided by the Association of Charitable Foundations. Stronger Foundations is an initiative to help and encourage foundations identify and pursue best practice. One of the thematic areas covered under this initiative is Diversity, Equality and Inclusion. The process includes completing a questionnaire that identifies our strengths and areas for improvements. This information was shared with the board at the December meeting.

An action plan has been completed based on the information gathered from the National Centre for Diversity and Stronger Foundations, this has been shared with staff and the board and included in the organisational action plan for 2022.

Reserves policy

World Habitat operates within a comparatively low-risk funding environment, as it does not rely on any external financial support in delivering its charitable objectives. We fund virtually all of our activities from the revenue generated from the financial investments, land and property that we received as a gift in 1976.

As at the 31st December 2021 the World Habitat investment portfolio is currently managed by two investment managers, Sarasin (39.1 per cent) and Schroders (60.9 per cent). World Habitat is committed to maintaining the value of the original gift in real terms.

This reserves policy has been developed as part of an ongoing integrated financial governance process which includes development of a strategic plan, a risk management policy and an investment policy.

In 2018, the trustees carried out a detailed review of the charity's activities and produced a strategic plan for the direction and activity of the charity for the following three years (until December 2021). Implementation of the plan started during 2019. As a result of this review, business plans are developed which identify specific levels of anticipated income and expenditure in each year, together with details of the expected outputs and outcomes of the activities.

In the event of a collapse of the international financial markets, the organisation retains sufficient resources in readily accessible funds to meet its current operating obligations.

The value of reserves held by World Habitat as of 31st December 2021 was **£37,848,839**. This consisted of the following:

• Designated Funds	£34,787,517
• Revaluation Reserve	£1,605,796
• General Unrestricted Funds	£1,455,526
• Restricted Funds	£0

Designated Funds

Designated funds are made up of the income maintenance fund and gift maintenance. An income maintenance fund has been created to provide the charity with a portfolio of investment assets that will be managed to provide a sufficient level of income to finance the expenditure of the organisation in carrying out its objectives.

Transfers are made to this reserve of surpluses, generated from activities after providing for a level of unrestricted reserves reflecting six-months planned activity. The gift maintenance fund has been created to maintain the original gift from East Midlands Housing Association in real terms value.

Revaluation Reserve

A revaluation reserve is maintained in respect of those amounts by which investments and other assets exceed their historical cost.

General Unrestricted Funds

General unrestricted funds should represent approximately six-months planned activity. The balance of the funds as of 31st December 2021 is **£1,455,526**. This currently represents fourteen-months planned activity. This is acceptable in the current time due to the uncertainty around the impact on our investments from COVID-19.

The reserves of World Habitat are held as a form of endowment in order to generate income for the organisation. The income provided should be sufficient to cover the charitable activities of the organisation so the capital is not diminished. World Habitat requires a minimum level of reserves of **£25m** to allow the charity to fund its core activities, any additional income generated above the required level will increase the money spent on the charitable aims of the organisation.

If the reserves of the organisation go below **£25m** then we would need to adjust our spending. If this was a short-term dip, then we would review the dividends we receive, if the dip was long-term, we would look to review our future budget and strategy.

TRUSTEES' REPORT

The Business Plan is reviewed on an annual basis, with both income and expenditure projected forward on an on-going basis. This reserves policy is also subject to review on an annual basis and the World Habitat trustees will carry out this review after giving due consideration to its planned programme of activity and the advice of its financial advisers as to likely income levels, any associated risks and the broader investment climate.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Under the provisions of the Companies Act 2006, a resolution is no longer required at the Annual General Meeting to nominate the auditors for the coming year.

The trustees who held office at the date of approval of this Annual Report, as set out above each confirm that:

- so far as they are aware, there is no relevant audit information (information required by the charity's auditor in connection with preparing their report) of which the charity's auditors are unaware; and
- as the directors of the charity the trustees have taken all the steps they ought to have taken, in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

EMPLOYEE INVOLVEMENT AND APPRECIATION

All members of staff have been regularly consulted on issues of concern with regular staff meetings being held and have been kept informed on specific matters where necessary by the Chief Executive. The trustees meet with members of staff at the quarterly board meetings and staff members present their work to trustees at the meetings. Sincere thanks are expressed to all members of our staff for their dedicated service to the organisation during the year and to the excellent results that are being achieved as a result of their work.

This report has been prepared in accordance with the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS102)) and in accordance with the provisions applicable to companies entitled to smaller companies exemption.

WORLD HABITAT

TRUSTEES' REPORT

POST BALANCE SHEET EVENT – WAR IN UKRAINE

On 24 February 2022 Russian Forces entered Ukraine, resulting in Western Nation reactions including announcements of sanctions against Russia and Russian interests worldwide and an economic ripple effect on the global economy.

World Habitat does not operate in either Ukraine or Russia and no key suppliers are located in either country. The Board decided to not allow entries to the 2022 World Habitat Awards from any Russian projects. This will be reviewed when the awards open for 2023. The Board's assessment of this highly tragic geopolitical situation is that the business is not impacted at present, and the situation will remain under review.

There are organisations World Habitat works with that have put support in place for Ukrainian refugees fleeing the country. World Habitat made three donations of £5k to partner organisations during March/April 2022, to support their efforts to help the people in most need.

By order of the trustees

Angus Kennedy

Angus Kennedy (May 25, 2022 16:30 GMT+1)

Dr A Kennedy OBE (Chair)

25 May 2022

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the trustees of World Habitat**Opinion**

We have audited the financial statements of World Habitat (the 'charity') for the year ended 31 December 2021 which comprise of the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charity's affairs as at 31 December 2021 and of 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.

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 charity 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 charity'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 report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

INDEPENDENT AUDITOR'S REPORT

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 which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the 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 light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' 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' exemption 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 set out on page 23, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the charity and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, the Charities Statement of Recommended Practice, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to use of restricted funds, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

WORLD HABITAT

INDEPENDENT AUDITOR'S REPORT

Use of the audit report

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

David Hoose

David Hoose (May 26, 2022 07:40 GMT+1)

David Hoose

(Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: May 26, 2022

Mazars LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

WORLD HABITAT

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021 (Incorporating the income and expenditure account)

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
INCOME FROM					
Donations and legacies:					
General grants		-	-	-	-
Charitable activities:					
Grant income	3	1,334	-	1,334	1,404
Investments	4	1,073,401	-	1,073,401	1,145,770
Other trading activities:		-	-	-	4
TOTAL		<u>1,074,735</u>	<u>-</u>	<u>1,074,735</u>	<u>1,147,178</u>
EXPENDITURE ON:					
Raising funds		51,191	-	51,191	65,165
Charitable activities		951,225	-	951,225	945,041
TOTAL	5	<u>1,002,416</u>	<u>-</u>	<u>1,002,416</u>	<u>1,010,206</u>
NET INCOME		72,319	-	72,319	136,972
Transfers between funds		-	-	-	-
Other recognised gains/(losses):					
<i>Gains and losses on investment assets:</i>					
Realised Profit (Loss) on Fixed Asset		(320)	-	(320)	30
Taxation charge on overage income	9	-	-	-	(1,880)
Unrealised gains/(losses) on investment assets	10	626,038	-	626,038	(2,162,222)
Realised gains/(losses) on investment assets	10	3,527,770	-	3,527,770	-
		-	-	-	-
Net movement in funds for the year		<u>4,225,807</u>	<u>-</u>	<u>4,225,807</u>	<u>(2,027,100)</u>
Reconciliation of funds					
Total funds brought forward		<u>33,623,032</u>	<u>-</u>	<u>33,623,032</u>	<u>35,650,132</u>
Total funds carried forward		<u>37,848,839</u>	<u>-</u>	<u>37,848,839</u>	<u>33,623,032</u>

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

The notes on page 34-46 form part of these financial statements.

WORLD HABITAT**BALANCE SHEET – COMPANY REGISTRATION NUMBER: 1247918**

	Note	£	2021 £	£	2020 £
Fixed Assets					
Tangible	11		153,941		134,354
Investments	12		35,215,800		32,507,584
			<u>35,369,741</u>		<u>32,641,938</u>
Current Assets					
Investments	13	1,927,898		11,805	
Debtors	14	26,396		13,524	
Cash in hand		599,794		1,022,669	
		<u>2,554,088</u>		<u>1,047,998</u>	
Creditors:					
Amounts falling due within one year	15	<u>(74,990)</u>		<u>(66,904)</u>	
Net Current Assets			2,479,098		981,094
Total Assets Less Current Liabilities			<u>37,848,839</u>		<u>33,623,032</u>
Capital and Income Funds:					
<i>Unrestricted funds:</i>					
Designated funds	17	34,787,517		23,486,049	
Revaluation reserve	17	1,605,796		8,580,354	
General unrestricted funds	17	<u>1,455,526</u>		<u>1,556,629</u>	
			37,848,839		33,623,032
<i>Restricted funds</i>					
			<u>37,848,839</u>		<u>33,623,032</u>

The financial statements have been prepared in accordance with the provisions applicable to companies' subject to the small companies' regime under the Companies Act 2006 and with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS102)).

The financial statements on pages 30 to 46 were approved by the board of trustees on 25 May 2022 and signed on its behalf by:

Angus Kennedy
Angus Kennedy (May 25, 2022 16:30 GMT+1)

DR A KENNEDY OBE

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CHAIR

WORLD HABITAT

CASHFLOW TO THE FINANCIAL STATEMENTS

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net cash provided by / (used in) operating activities	(a)	(994,424)	(1,025,236)
Cash flows from investing activities:			
Returns on investments			
Dividends, interest and rents from investments		1,073,401	1,145,770
Purchase of property, plant and equipment		(1,351)	(4,376)
Proceeds from sale of investments		34,078,086	-
Cash held on investment (Increase)		(1,916,093)	-
Purchase of investments		(32,661,994)	-
Dividend Leeds Community Homes		(500)	-
Taxation paid		-	(1,880)
Net cash provided by/(used in) investing activities		571,549	1,139,514
Change in cash and cash equivalents in the reporting period		(422,875)	114,278
Cash and cash equivalents at the beginning of the reporting period		1,022,669	908,391
Cash and cash equivalents at the end of the reporting period		599,794	1,022,669
FOOTNOTES TO THE CASH FLOW STATEMENT			
(a) Reconciliation of net outgoing resources for the year to net inflow/(outflow) from operating activities			
Net income/expenditure for the reporting period as per the statement of financial activities		4,225,807	(2,025,220)
<i>Adjustments for:</i>			
(Gains)/Losses on investments		(4,153,808)	2,162,192
Less: dividends, interest & rents from investments		(1,073,401)	(1,145,770)
Add: depreciation charges		11,443	10,426
Loss/(profit) on fixed asset disposal		320	30
(Increase) in debtors		(12,872)	(1,790)
Increase/(Decrease) in creditors		8,087	(25,104)
Net cash inflow from operating activities		(994,424)	(1,025,236)
(b) Increase/(Decrease) in Cash			
Opening balance		1,022,669	908,391
Balance as at 31 December		599,794	1,022,669
Increase/(Decrease) in year		(422,875)	114,278

1 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

Basis of Preparation and assessment of going concern

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

World Habitat meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The trustees and Senior Management Team of World Habitat are aware of the risks associated with COVID-19 including a reduction in the value of our investments and dividend income. We will look to mitigate the risks by reviewing our future budgets and strategy where necessary. As a result, the trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Funds Structure

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Within unrestricted funds are a number of designated funds.
- Designated funds are unrestricted funds earmarked by the trustees for particular purposes. Included within designated funds is a revaluation reserve representing the restatement of investments and other assets at market values.
- Restricted funds are those funds where restrictions are imposed by the donor in respect of how the funds can be expended.

Incoming Resources

Items of income are recognised and included in the accounts when all of the following criteria are met:

- The charity or its subsidiary have entitlement to the funds;
- any performance conditions attached to the item(s) of income have been met or are fully within the control of the charity or its subsidiary;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

Interest on funds held is included upon notification of the interest paid or payable by the Bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

1 PRINCIPAL ACCOUNTING POLICIES (Continued)**Resources Expended**

Expenditure is recognised once there is a legal 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 headings:

- Costs of raising funds comprise the costs associated with generating income, consisting of investment manager's fees, plus a proportion of support costs.
- Charitable expenditure comprises those costs incurred by the charity in achieving its charitable objectives, and their associated support costs. Research expenditure is included within the year in which it is incurred. Governance costs including those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity are included within charitable expenditure.
- Other expenditure represents those items not falling into any other heading.

Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates. Where research is commissioned over a period of time, the costs incurred are estimated based on the time elapsed as at the year end.

Grant Making

Grants are made to third parties in furtherance of the charitable objectives of the Foundation. The grants are made after signing a grant agreement and accounted for where either the Trustees have agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive a grant, or any condition attaching to the grant is outside the control of the Foundation.

Support costs are allocated to monitoring grant activities as 10% of salary, employers NI and employers' pension. All grant expenditure is recognised in the year and any unpaid at the year-end is recognised as a liability at the balance sheet date.

Allocation of Support Costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include administrative costs, finance, personnel and premises expenses. Those costs that are not specific to an activity are apportioned on the basis of the time spent in the different categories as set out in note 6.

Termination Benefits

Termination costs are included in the period in which the decision has been made and communicated to employees. The terminated costs are paid based on statutory levels.

Fixed Assets and Depreciation

Freehold buildings are stated at market value less depreciation. There have been no indications that impairment has occurred and no impairment review has been carried out. All other fixed assets are stated at purchase price less depreciation. Depreciation is calculated to write off fixed assets over their estimated useful lives at the following annual rates:

Freehold buildings	2% of revaluation
Office and other equipment	25% of cost
Motor vehicles	25% of cost

Investment Property

Investment properties are included in the balance sheet at their market value. Depreciation is not charged on investment properties.

NOTES TO THE FINANCIAL STATEMENTS

1 PRINCIPAL ACCOUNTING POLICIES (Continued)**Mixed Use Property**

The charity has mixed use property, where it occupies part of the property and rents out the remainder. The proportion of the building that is considered to be investment property, is based on the number of floors occupied by the charity in relation to the number of floors rented out.

Fixed Asset Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Cash Flow Statement

World Habitat has prepared a cashflow statement in accordance with FRS 102.

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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction.

Contributions to pension funds

The company is a member of a defined contribution pension scheme. The amount charged through the statement of financial activities in respect of pension costs is the contributions payable in the year. In the past, the company also contributed to the Pensions Trust's Flexible Retirement Plan further details of which are included in note 20.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lesser are charged to the statement of financial activities on a straight line basis over the period of the lease.

Financial instruments

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 amortised cost. The financing charge to expenditure is at a constant rate calculated using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

1 PRINCIPAL ACCOUNTING POLICIES (Continued)

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will by definition, seldom equal the related actual results. The Trustees have identified the valuation of investment properties as an area which involves critical accounting judgement or key sources of estimation uncertainty when determining the fair value of the investment properties.

In preparing these financial statements the Trustees have considered the valuation of all the investment properties and the estimations with regards to the carrying value of the investment properties. The Trustees have taken into account a number of factors including the age of the property/land, its marketability and the regional commercial market. Memorial Square was valued by an external property valuer.

NOTES TO THE FINANCIAL STATEMENTS

2 LEGAL STATUS

The charity is a company limited by guarantee registered in England and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The registered office is stated on the Legal and Administrative page.

3 CHARITABLE ACTIVITIES

	2021 £	2020 £
Grant Income:		
Rural Payments Agency	1,334	1,404
	<u>1,334</u>	<u>1,404</u>

In 2020, all of the income was to unrestricted funds.

4 INVESTMENT INCOME

	2021 £	2020 £
Listed:		
Dividends on unit trusts and Common Investment Funds	1,045,200	1,114,622
Cash on Deposit:		
Interest received	134	255
Other:		
Rental income	28,067	30,893
	<u>1,073,401</u>	<u>1,145,770</u>

In 2020, all income from investments was unrestricted.

NOTES TO THE FINANCIAL STATEMENTS

5 RESOURCES EXPENDED

	Unrestricted Funds £	Restricted Funds £	2021 £	2020 £
Raising funds:				
Professional & investment fees	37,290	-	37,290	50,788
Support costs (see note 6)	13,901	-	13,901	14,377
	51,191	-	51,191	65,165
Charitable activities:				
Awards	40,787	-	40,787	40,556
Salaries and pensions	498,169	-	498,169	572,270
Research travel (overseas)	4,007	-	4,007	12,449
Research travel (UK)	16,199	-	16,199	4,285
Recruitment and training	17,908	-	17,908	8,719
Subscriptions	7,775	-	7,775	6,863
External research meetings –WH	189,604	-	189,604	119,410
External research meetings – Others	189	-	189	70
WH research meetings	1,803	-	1,803	1,914
Publication of research	35,827	-	35,827	35,914
Auditor's remuneration and related costs	13,848	-	13,848	13,208
Support costs (see note 6)	125,109	-	125,109	129,383
	951,225	-	951,225	945,041
	1,002,416	-	1,002,416	1,010,206

In 2020, the unrestricted expenditure was £1,010,206.

6 SUPPORT COSTS

The Charity allocates its support costs (all of which are unrestricted) as shown in the table below. Support costs are allocated on a basis consistent with the use of resources.

	Raising funds £	Charitable activities £	2021 Total £	2020 Total £
Overheads:				
Administrative salaries	6,470	58,230	64,700	61,867
Stationery, postage and telephone	112	1,008	1,120	1,488
Motor and travelling expenses	37	333	370	931
Miscellaneous expenses	159	1,429	1,588	287
Carbon Offsetting	-	-	-	18,026
Lease charges	93	841	934	941
Bank charges	120	1,081	1,201	1,291
Premises Expenses:				
Rent, Rates, heat and light	1,079	9,712	10,791	10,355
Repairs	3,707	33,358	37,065	29,438
Insurance	980	8,818	9,798	8,710
Depreciation	1,144	10,299	11,443	10,426
	13,901	125,109	139,010	143,760

NOTES TO THE FINANCIAL STATEMENTS

7 STAFF COSTS

	2021 £	2020 £
Wages and salaries	476,793	546,227
Social security costs	48,478	50,473
Pension costs	37,599	37,437
	<u>562,870</u>	<u>634,137</u>

	2021 £	2020 £
Staff restructuring costs comprise:		
Redundancy payments	0	22,382
Severance payments	0	2,360
Settlement payments	0	8,267
	<u>-</u>	<u>33,009</u>

	No.	No.
The average number of persons directly employed during the year was:		
Research and development	10	10
Administration and support	2	2
	<u>12</u>	<u>12</u>

	No.	No.
The number of higher paid employees was:		
Earning between £60,000 and £70,000	0	0
Earning between £80,000 and £90,000	0	0
Earning between £90,000 and £100,000	1	1

	2021 £	2020 £
Total cost for the management team	<u>303,031</u>	<u>291,198</u>

The management team cost £303,031 for 2021 is for a management team of 4 and £291,198 for 2020 is for a management team of 4. The key management are those listed on page 1. The total cost includes employer contributions of pension and national insurance.

8 NET INCOME/(EXPENDITURE) FOR THE YEAR

	2021 £	2020 £
This is stated after charging:		
Operating lease rentals	34,955	25,927
Depreciation	11,443	10,426
Auditor's remuneration:		
- Audit services	9,600	7,500
- Non-audit services	0	0

During the year ended 31 December 2021, travel expenses totalling £370 were paid to 4 trustees (2020: £931).

No remuneration was payable to members of the Board of Trustees during the year (2020: £Nil).

Trustee indemnity insurance is included in the total insurance cost of £9,462 (2020: £8,554) paid in December 2020. The percentage of income arising outside the United Kingdom was 0% (2020: 0%).

NOTES TO THE FINANCIAL STATEMENTS

9 TAXATION

During the year the Charity didn't receive anything subject to Corporation Tax. The tax charge of £1,880 recognised in 2020 relates to the under provision of the overage charge on the previous years' income.

Analysis of taxation charge in the year

	2021 £	2020 £
Tax on profit on ordinary activities at 19%	-	1,880

Factors affecting tax charge for period

The difference between the tax assessed for the period and the tax assessed for the period and the standard rate of corporation tax are explained as follows

	2021 £	2020 £
Surplus/(deficit) on ordinary activities before tax	4,194,764	(2,027,100)
Standard rate of corporation tax in the UK	19.00% £	19.00% £
Items not subject to corporation tax	4,194,764	(2,027,100)
Under provision from previous periods	-	1,880
	-	-
Tax on profit	-	1,880

10 GAINS (LOSS) ON INVESTMENTS

	2021 £	2020 £
UNREALISED GAIN:		
Market Value of Investments at year end	35,374,133	32,507,584
Original cost of Investments	33,876,527	24,022,737
	1,497,606	8,484,847
Less: Unrealised gains on investments brought forward	(871,568)	(10,647,069)
Unrealised (loss)/gain in the year	536,038	(2,162,222)
Unrealised revaluation gain on investment property	90,000	-
Total unrealised (loss)/gain	626,038	(2,162,222)

NOTES TO THE FINANCIAL STATEMENTS

REALISED GAINS ON SALE OF INVESTMENTS:

Proceeds	34,078,086	-
Historical Cost	22,949,720	-
Realised Gain in the year	<u>11,128,366</u>	<u>-</u>
Split between:		
Gains realised from previous years	7,600,596	-
Gains realised from current years	3,527,770	-
Total realised gains	<u>11,128,366</u>	<u>-</u>

11 TANGIBLE FIXED ASSETS

	Freehold Property £	Office and Other Equipment £	Total £
Cost or valuation:			
At 1 January 2021	128,333	95,464	223,797
Additions	-	1,351	1,351
Revaluation	30,000	-	30,000
Disposals	-	(4,798)	(4,798)
At 31 December 2021	<u>158,333</u>	<u>92,017</u>	<u>250,350</u>
Depreciation:			
At 1 January 2021	7,700	81,743	89,443
Charge for the year	2,567	8,876	11,443
Depreciation written back on disposals	-	(4,477)	(4,477)
At 31 December 2021	<u>10,267</u>	<u>86,142</u>	<u>96,409</u>
Net Book Value:			
At 31 December 2021	<u>148,066</u>	<u>5,875</u>	<u>153,941</u>
At 31 December 2020	<u>120,633</u>	<u>13,721</u>	<u>134,354</u>

Freehold Property

The freehold property was valued at a market value of £475,000 on the 26th January 2022 by Fisher German LLP, who are not connected with the charity. The trustees are not aware of any material changes in value since that date. The historical cost of the property together at 31 December 2021 was £32,826.

The Trustees are happy that the valuation reported on the 26th January 2022 represents the valuation at the year end. Two thirds of the Freehold property is accounted for as an investment property.

12 INVESTMENTS

	2021 £	2020 £
At valuation:		
Freehold property	908,667	848,667
Listed investments	34,307,133	31,658,917
	<u>35,215,800</u>	<u>32,507,584</u>

All investments are held within the UK.

Investments are held in order to provide an investment return for the purposes of funding the charity's activities.

NOTES TO THE FINANCIAL STATEMENTS

12 INVESTMENTS (continued)

Freehold Property

At 10 October 2018, Fisher German, Chartered Surveyors, prepared valuations of all of the Foundation's investment properties. At 26th January 2022, Fisher German, Chartered Surveyors, prepared a valuation on the Memorial Square building. In the opinion of the Board of Trustees, the valuations represent the true market value of the land and properties held for investment purposes as at 31 December 2021.

	2021 £	2020 £
At beginning of year	848,667	848,667
Additions	-	-
Revaluations	60,000	-
Disposals at opening book value	-	-
	<u>908,667</u>	<u>848,667</u>
Historical cost at 31 December	<u>76,592</u>	<u>76,592</u>

Listed investments

At beginning of year	31,658,917	33,821,139
Acquisitions at cost	32,662,494	-
Disposals at opening book value	(34,078,086)	-
Realised Gains	3,527,770	-
Net (loss) / gains on revaluation in the year	536,038	(2,162,222)
Market value at 31 December	<u>34,307,133</u>	<u>31,658,917</u>
Historical cost as at 31 December	<u>33,671,602</u>	<u>23,946,145</u>

These assets include indirect investments in listed securities, through a combination of Common Investment Funds and Unit Trusts. Included in listed investments are the following investments, which individually represent over 5% of the total year-end value of the investment portfolio:

	Quantity of Stock Held No	Market Value 2021 £	Market Value 2020 £
Holding:			
Charity Multi Asset Fund	-	-	6,108,541
Equity Fund	-	-	1,916,772
Responsible Multi Asset Fund	35,182,776	20,888,014	1,083,601
M&G "Charifund"	-	-	8,874,471
Global Growth & Income	-	-	11,974,281
COIF Charities Property Fund	-	-	1,676,251
Sarasin Climate Active Endowments Fund	<u>10,230,556</u>	<u>13,393,619</u>	-

All investments are carried at their fair value. Holdings in common investment funds and unit trusts are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the charity is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report. The main risk to the charity from financial instruments lies in the combination of uncertain investment markets and volatility in yield.

NOTES TO THE FINANCIAL STATEMENTS

12 INVESTMENTS (continued)

Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so there ability to buy and sell quoted equities and stock is anticipated to continue. The charity's investments are traded in markets with good liquidity and high trading volumes.

The charity has no material investment holdings in markets subject to exchange controls or trading restrictions. The charity does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer-term yield total return and historic studies of quoted financial instruments have shown that volatility in any particular 5 year period will normally be corrected.

13 CURRENT ASSET INVESTMENTS

	2021 £	2020 £
Cash on deposit	1,927,898	11,805

14 DEBTORS

	2021 £	2020 £
Prepayments	13,842	9,461
Trade Debtors	12,554	4,063
	26,396	13,524

15 CREDITORS (Amounts falling due within one year)

	2021 £	2020 £
Other taxes and social security	11,858	11,513
Grants Payable	23,113	-
Other creditors	40,019	55,391
	74,990	66,904

16 FINANCIAL INSTRUMENTS

	2021 £	2020 £
Financial assets		
Financial assets measured at fair value through income and expenditure	35,215,800	32,507,584
	35,215,800	32,507,584

Financial assets measured at fair value through income and expenditure comprise investment properties and investments.

NOTES TO THE FINANCIAL STATEMENTS

17 UNRESTRICTED FUNDS

	At 1 Jan 2021 £	Incoming Resources (inc. Gains) £	Outgoing Resources £	Transfers £	At 31 Dec 2021 £
Designated Funds:					
Revaluation reserve	8,580,354	4,153,808	-	(11,128,366)	1,605,796
Income maintenance	14,291,778	-	-	11,128,366	25,420,144
Gift maintenance	9,194,271	-	-	173,102	9,367,373
General Funds	1,556,629	1,074,735	(1,002,736)	(173,102)	1,455,526
	<u>33,623,032</u>	<u>5,228,543</u>	<u>(1,002,736)</u>	<u>-</u>	<u>37,848,839</u>

Purposes of Designated Funds

Revaluation Reserve – The revaluation reserve fund represents the amounts by which investments and other assets exceed their historical cost.

Income Maintenance – The income maintenance fund has been created to provide the charity with a portfolio of investment assets that will be managed to provide a sufficient level of income to finance the expenditure of the organisation in carrying out its objectives. The fund is maintained by the transfer of the balance of realised gains after the funding of the gift maintenance fund and providing sufficient general funds to reflect six months planned activity.

Gift Maintenance – The gift maintenance fund has been created to maintain the original gift of £1,249,066 from East Midlands Housing Association in real terms value. The purpose of the original gift was to enable the generation of income to allow the charity to pursue and achieve its objectives. The underlying assets in which the funds are held are managed to do this. Maintenance of this fund is from realised gains on investment assets. A transfer of £173,102 was completed during the year.

UNRESTRICTED FUNDS PRIOR YEAR

	At 1 Jan 2020 £	Incoming Resources (inc. Gains) £	Outgoing Resources £	Transfers £	At 31 Dec 2020 £
Designated Funds:					
Revaluation reserve	10,742,576	-	(2,162,222)	-	8,580,354
Income maintenance	14,291,778	-	-	-	14,291,778
Gift maintenance	9,058,313	-	-	135,958	9,194,271
General Funds	1,557,465	1,147,208	(1,012,086)	(135,958)	1,556,629
	<u>35,650,132</u>	<u>1,147,208</u>	<u>(3,174,308)</u>	<u>-</u>	<u>33,623,032</u>

NOTES TO THE FINANCIAL STATEMENTS

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds £	General funds £	Designated funds £	Total 2021 £
Fixed assets	-	5,875	148,066	153,941
Investments	-	898,451	34,317,349	35,215,800
Current assets	-	626,190	1,927,898	2,554,088
Creditors	-	(74,990)	-	(74,990)
Provisions	-	-	-	-
	-	1,455,526	36,393,313	37,848,839

ANALYSIS OF NET ASSETS BETWEEN FUNDS PRIOR YEAR

	Restricted funds £	General funds £	Designated funds £	Total 2020 £
Fixed assets	-	13,721	120,633	134,354
Investments	-	561,814	31,945,770	32,507,584
Current assets	-	1,047,998	-	1,047,998
Creditors	-	(66,904)	-	(66,904)
Provisions	-	-	-	-
	-	1,556,629	32,066,403	33,623,032

19 CHANGES IN NET DEBT

	At 1 Jan 2021 £	Cash flows £	Other non- cash changes £	At 31 Dec 2021 £
Cash and cash equivalents				
Cash	1,022,669	(422,875)	-	599,794
Overdrafts	-	-	-	-
Cash equivalents	11,805	1,916,093	-	1,927,898
	1,034,474	1,493,218	-	2,527,692

20 PENSION SCHEME

The charity operates a pension scheme for the benefit of employees and directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.

Total employer contributions paid in the year amounted to £37,599 (2020: £37,437) as at 31 December 2021 there were contributions outstanding of £0 (2020: £0).

World Habitat participates in the Flexible Retirement Plan and Ethical Fund that are both operated by the Pension Trust. They are both multi-employer pension plans.

The Flexible Retirement Plan is a defined contribution fund and is compliant with auto-enrolment. The employee can select to invest in the default Target Date Fund or select their own funds.

NOTES TO THE FINANCIAL STATEMENTS

The Ethical Fund is also a defined contribution fund and compliant with auto-enrolment requirements. Any funds paid into the Ethical Fund are invested in the Ethical Target Date Funds (TDFs), which enables members to invest in companies that meet globally recognised corporate responsibility standards.

The charities' staging date for auto-enrolment was 1st July 2016.

21 LIMITED BY GUARANTEE

The company is limited by guarantee and accordingly does not have issued share capital. Every member of the Association undertakes to contribute an amount not exceeding £10 to the assets of the association in the event of the same being wound up.

22 RELATED PARTY TRANSACTIONS

There were no related party transactions in the year or prior year.

The payment of trustees' expenses is disclosed in note 8.

23 COMMITMENTS UNDER OPERATING LEASES

As at 31 December 2021 the charity had total commitments under non-cancellable operating leases as set out below.

	2021 £	2020 £
Operating leases which expire:		
Within 1 year	15,010	14,280
Within 1 and 5 years	816	1,632
	<u>15,826</u>	<u>15,912</u>

24 COMMITMENTS UNDER GRANT AGREEMENTS

During the year to 31 December 2021 the charity made grant agreements as set out below.

	2021 £	2020 £
Grant agreements:		
EESHG		
Stopa Slovenska	8,280	-
Together Leicester	3,500	-
ULE	5,000	-
Homeless Network Scotland	7,450	-
The Passage	5,000	-
CRESCER	3,813	-
World Habitat Awards		
UrbaMonde - France	41,107	-
Global Community-led Housing		
Center for Community Land Trust Innovation	5,630	-
Moba	20,301	-
Association of Urbamonde	15,069	-
Catalytic Communities	15,275	-
Total Grants	<u>130,425</u>	<u>-</u>

All grants made in 2021 were to institutions. Grants to individuals is £nil.

Grants payable at the year end were £23,113. The total grants for the year is included in expenditure on charitable activities on the statement of financial activities on page 5.

There are supports costs associated with monitoring the grants of £14,187. This is 10% of the salary for the individuals monitoring the grants.

The projects being funded in each programme area as follows:

EESHHC

The grants are to develop a number of programmes in cities across Europe to understand the scale and context of migrant homelessness. This includes a number of initiatives to build the public's understanding of homelessness.

World Habitat Awards

The grant is to collectively increase impact, add value, and support organisations and communities around the world to implement the right to adequate housing. This will be done by firstly by identifying and sharing examples of housing solutions and secondarily, by enabling communities and other organisations to develop their own housing solutions.

Global Community-Led Housing

The grants are to advance on co-operative housing development – with opportunities to secure access to knowledge, land, finance and advancements in terms of policy, legal, technical or environmental matters.

25 POST BALANCE SHEET EVENT – WAR IN UKRAINE

On 24 February 2022 Russian Forces entered Ukraine, resulting in Western Nation reactions including announcements of sanctions against Russia and Russian interests worldwide and an economic ripple effect on the global economy.

World Habitat does not operate in either Ukraine or Russia and no key suppliers are located in either country. The Board decided to not allow entries to the 2022 World Habitat Awards from any Russian projects. This will be reviewed when the awards open for 2023. The Board's assessment of this highly tragic geopolitical situation is that the business is not impacted at present, and the situation will remain under review.

There are organisations World Habitat works with that have put support in place for Ukrainian refugees fleeing the country. World Habitat made three donations of £5k to partner organisations during March/April 2022, to support their efforts to help the people in most need.

WORLD HABITAT**NOTES TO THE INCOME AND EXPENDITURE ACCOUNT**

	Note	£	2021 £	£	2020 £
Rent receivable			28,067		30,893
Investment income	A		1,045,334		1,114,877
Grant			1,334		1,404
Misc			-		-
Sales			-		4
			<u>1,074,735</u>		<u>1,147,178</u>
Overheads:					
Salaries		64,701		61,867	
Professional and investment management fees		37,290		50,788	
Other professional fees					
Property expenses	B	13,819		11,786	
Stationery, postage and telephone		1,120		1,488	
Motor and travelling expenses		370		931	
Auditor's remuneration and other related costs		13,848		13,207	
Miscellaneous expenses		1,588		18,313	
Lease charges		934		941	
Bank charges		1,201		1,291	
Foreign Exchange rate difference		-		-	
		<u>134,871</u>		<u>160,612</u>	
Research costs	C	<u>867,545</u>		<u>849,594</u>	
			<u>1,002,416</u>		<u>1,010,206</u>
Surplus/(deficit) for the year			<u>72,319</u>		<u>136,972</u>

The following pages do not form part of the statutory financial statements.

WORLD HABITAT

NOTES TO THE INCOME AND EXPENDITURE ACCOUNT

A. INVESTMENT INCOME

	2021	2020
	£	£
Interest on deposits:		
Schroder	27	20
Barclays	107	235
	134	255
Dividends from common investments funds	1,045,200	1,114,622
	<u>1,045,334</u>	<u>1,114,877</u>

B. PROPERTY EXPENSES

	Occupied By the Charity £	Own Property Let £	Total £
Rent, rates, heat and light	4,408	6,383	10,791
Repairs	32,025	5,039	37,064
Insurance	9,648	150	9,798
Depreciation of plant, fixtures and fittings, and buildings	11,443	-	11,443
	<u>57,524</u>	<u>11,572</u>	<u>69,096</u>
Apportioned to research facilities	<u>46,019</u>	<u>9,258</u>	<u>55,277</u>
Apportioned to overheads	<u>11,505</u>	<u>2,314</u>	<u>13,819</u>

C. RESEARCH COSTS

	2021	2020
	£	£
Awards	40,787	40,556
Salaries and pensions	498,169	572,270
Research travel (overseas)	4,007	12,450
Research travel (UK)	16,199	4,285
Research dissemination materials	-	-
Recruitment and training	17,908	8,719
Subscriptions	7,775	6,863
External research meetings – WH	189,604	119,410
External research meetings – Others	189	70
WH Internal research meetings	1,803	1,914
Research facilities	55,277	47,143
Publication of research	35,827	35,914
	<u>867,545</u>	<u>849,594</u>

The following pages do not form part of the statutory financial statements.