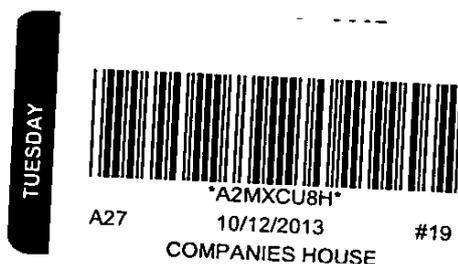


**Habitat for Humanity Great Britain  
Company Limited by Guarantee  
Group Financial Statements  
For the year ended 30 June 2013**



**Company No. 3012626  
Charity No. 1043641**

## Members of the board

**Company Registration Number:** 3012626

**Charity Registration Number:** 1043641

**Registered Office and Principal Office:** 46 West Bar Street  
BANBURY  
Oxfordshire  
OX16 9RZ

**Trustee Directors:** Mr S A Baseley 'Chairman'  
Ms A Carr  
Mr G Foster  
Mr G Holmes  
Mr S L Howard  
Mr L Johnson  
Miss S Revell 'Deputy Chairman'  
Mr L Sullivan  
Mr S Thomas  
Mr G Von Lehmden  
Mr I K Whitehead

**Secretary:** Mr D C Stapleton

**Habitat for Humanity Great Britain  
Company Limited by Guarantee  
Financial statements for the year ended 30 June 2013**

## Patrons and professional advisers

**Patrons:**

HRH The Duke of Gloucester KG GCVO  
Prof G Ashworth  
Mr A Burt MP  
Mr S Hughes MP  
Mr M J Kirkwood CMG  
Mr T Waite CBE

**Bankers:**

National Westminster Bank Plc  
Bridge Street  
BANBURY  
OX16 5JS

**Auditors:**

Grant Thornton UK LLP  
Statutory Auditor  
Chartered Accountants  
3140 Rowan Place  
John Smith Drive  
Oxford Business Park South  
OXFORD  
OX4 2WB

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## Directors' Annual Report

The directors present their report together with financial statements for the year ended 30 June 2013

Habitat for Humanity Great Britain (HFHGB) is a company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association. The liability of the directors, as members, is limited to £1. The directors of the charity are its trustees for the purposes of charity law and throughout this report are collectively referred to as the directors.

### **Principal activities**

Our principal activities are

- 1 To champion decent housing as a human right
- 2 To mobilise and support communities to implement projects that help people in housing need to claim their housing rights, create access to and overcome barriers to safe, decent and appropriate housing. Typically this is delivered by means of a local home-building or renovation project
- 3 To make housing poverty and homelessness a matter of conscience and action so that it becomes unacceptable in every nation

We seek to achieve our mission "from the inside out" by helping to develop and resource local community partners who are involved in community development by building and renovating safe, decent and appropriate housing in their own communities. Transformation takes place as a result of the broad participation of communities and home partners in their own solutions.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting the grant making policy for the year.

### **Organisation**

The directors met 3 times in the financial year with our annual general meeting held in November 2012.

Our former National Director Ian Walkden left during the year after 11 years loyal service for which the Directors extend their sincere appreciation. After a period of interim leadership under Ian Pearce a new National Director, Rebecca Martin, was appointed soon after the year end. The National Director is responsible for the day to day running of the charity at our Registered Office. During the year, the National Director had a team of 21 full-time equivalent staff, including a management team covering programmes, fundraising and communications, and finance and administration.

## Directors' Annual Report (continued)

### **Related parties**

Liverpool Habitat for Humanity (LHFH) is a legally independent registered charity affiliated to HFHGB by means of a Covenant Agreement, a Memorandum of Understanding and a Licensing Agreement. LHFH is responsible for completing its own financial statements due to its independent charitable status. Habitat for Humanity Great Britain (Homes) (formerly Southwark Habitat for Humanity) took on the role of managing and developing all current and domestic projects in Great Britain other than the Liverpool project. The role of HFHGB (Homes) focussed on projects in London and the South in the year but has a vision to expand domestic projects nationwide. In the year HFHGB raised funds and made grants to HFHGB (Homes) (see Note 15 to the Accounts). Our consolidated Group financials present the combined income, expenditure and funds for both HFHGB and HFHGB (Homes) net of intra-group transactions. Liverpool HFH elected to remain an independent affiliate of HFHGB and so their financials do not form part of this consolidation.

### **Business Review**

The activities of HFHGB are mostly focused on the international projects and volunteer programmes, with some support for key strategic domestic projects. The delivery of domestic projects is undertaken by HFHGB (Homes) whose financials are consolidated within the Group financial statements and notes.

### **International Programmes**

#### **International volunteering programme ('Global Village')**

Global Village team participants volunteer their time for our projects overseas. The teams raise a minimum £650 per team member (£500 for youth participants) to support Habitat for Humanity projects. In addition to the construction work carried out during trips, participant fundraising covers the cost of the trip, grants to host countries to help fund the cost of further homes in those countries and to support the wider work of the organisation. In the year £156,043 (2012 £251,370) was transferred to hosting HFH affiliates through this programme.

During the year, a total of 310 (2012 365) volunteers participated in these projects. We continued to develop the programme to help all volunteers better understand the impact of our work and to acquire an increased understanding of development issues. This is to encourage volunteers to return to the UK to become committed ambassadors for the elimination of poverty housing here in the UK and overseas. Our policy of placing a trained HFH team leader with each team has borne fruit and helped us to deliver consistent, safe and impactful trips as well as reducing our exposure to risk.

There are three main benefits for HFHGB in running our Global Village programme. One is the practical work of the volunteers to help build safe and decent homes. The second is the fundraising among friends and family that helps to finance the work of the local HFH affiliate and also contributes to our wider work. The third benefit, and one which we hope will have a significant effect in the long term, is the raised levels of awareness of the issue of poverty housing amongst the network of participant sponsors who are engaged in the process. Global Village is therefore more than simply a volunteer experience. It is a means to raise awareness, attract funds and change hearts and minds, as we strive to eliminate poverty housing both at home and overseas.

## Directors' Annual Report (continued)

### International Programme

We continue to support new projects overseas, financially and practically. Donations and grants were received from the general public, from trusts, companies, churches, other civic groups and governments. Total restricted income generated for international projects totalled £987,555 (2012 £1,600,936)

We are supporting projects in Bangladesh, Bolivia, Brazil, Cambodia, Egypt, Haiti, Lebanon, Madagascar, Mozambique, Philippines, and Vietnam. These projects focus on the importance of the home in the key priority areas of

- **Housing for orphans and vulnerable groups** (Cambodia Mozambique and Lebanon) In the year, the Cambodia programme was our largest which supported 152 families (approx 7,050 people) infected or affected by HIV/AIDS with a holistic programme of new housing or house repairs, including water and sanitation, training in livelihood, financial and enterprise management, and home maintenance, water, and aspirational workshops. An impact evaluation was conducted jointly by International NGO Training and Research Centre (INTRAC) and HFHGB which demonstrated the impact on poverty reduction for the group. Our main contributors to the Cambodia programme are the Elton John AIDS Foundation, TowerBrook Foundation, Jersey Overseas Aid Commission and other donors. The Lebanon programme provides 'Shelter and security for the most vulnerable' through the provision of low cost loans. All families prior to the programme lived in poor quality housing and were faced with problems such as weak, leaking, or cracked roofs, poor sanitation, earthen unhygienic floors, or one-roomed houses with no gender separation or privacy. These families benefited from a number of interventions including tiling of floors, waterproofing and installation of proper roofs, installation of water heaters, renovation of toilets and shower areas, fitting kitchens with sinks and closets and equipping bathrooms to meet the needs of disabled family members. Over the year our support in this area amounted to £291,139.
- **Building disaster resilience** (Bangladesh) The aim of the programme is to reduce the impact of cyclones on families and communities, and to help them recover much more quickly after such events. The Bangladesh project has focused on developing stronger community leadership, especially involving women, and has provided support for families to renovate and strengthen their houses or construct disaster resilient latrines. During the year, this project has successfully strengthened the resiliency of 4,355 community members in some of most disaster-prone areas of Satkhira and Netrokona districts of Bangladesh. This has been achieved through establishing and training 50 village-level disaster management committees as first-time responders, preparing 4 community disaster mitigation action plans, delivering training to 3,105 people on disaster preparedness first aid, hygiene and disaster-resilient construction, and building 250 disaster-resilient house constructions or disaster-resilient toilets. The house renovations include replacing roofs with adequate bracing so they are not blown off by a cyclone. In the year we transferred £65,000 to this project.

## Directors' Annual Report (continued)

- **Disaster response and reconstruction** (Haiti, Vietnam, Philippines, Bangladesh) We continue to respond to a range of disasters and are especially grateful for the support of the Jersey Overseas Aid Commission. Our disaster framework is called "Pathways to Permanence" and focuses on ways to move different groups into permanent shelter. We mainly support early recovery, helping people back into their homes and out of temporary shelter. Temporary shelter can be local schools or community buildings, so our approach enables the schools to reopen earlier than would otherwise be the case and enables the community to re-establish normal activity as soon as possible. The main approach is to provide shelter kits and information to enable people to clean their homes or make temporary repairs so that they can move back home. We have also entered into a partnership arrangement with Christian Aid which includes a review of our shelter response programmes in eight countries following various disasters. This work is being led by HFHGB with support from ARUP, HFHI and Christian Aid partners. Over the year our total support to disaster related projects amounted to £196,542.
- **Housing for hard pressed families** (Egypt and the Microbuild Fund) These projects focus on loan based activity by lending to the poor through micro housing loans. Home partners will use the funds to repair or extend existing homes, or in some cases, use the loan for partial construction of a new home. The poor often build homes stage by stage, as they have available funds. This approach helps the beneficiaries to improve their homes by adding another room, improving water and sanitation facilities, connecting electricity and other home improvements. The families decide their priority and we support them through the provision of skills training and information, so they can get the best value for money from their small project. The outcome is improved homes that can enable students to study with more space and light, or a family to take on employment to improve their livelihood. The Egypt project, for example, is funded by Embrace the Middle East (formerly Biblelands) and focuses on loans for home improvements designed to provide healthier living. The poorest of the poor receive grant based help as they do not have the means to repay loans. Over the year our total support in this area amounted to £286,043.
- **Water, sanitation and hygiene promotion** (Bangladesh, Cambodia, Madagascar and Vietnam) We regard water and sanitation to be an integral part of the home so we incorporate these into many housing projects as well as a stand-alone activity. When we ask people about water quality in baseline studies, the response is often that if water looks clean then it probably is clean. Unfortunately this is unrealistic and is compounded by poor toilet facilities (often polluting water supplies) and a lack of knowledge about hand washing. Combined, this can lead to many water borne diseases, poor health and childhood mortalities. The Bangladesh project provided new latrines and rainwater harvesting systems to 240 families. The selection process prioritised households headed by women and families with vulnerable members, such as young children, widows, and the elderly. Also, 36 workshops were given in low-cost latrine construction, and 111 training sessions were conducted to raise awareness of water and sanitation related illnesses and to improve hygiene practices. Overall, 3,529 participants directly benefitted, of which 73% were female. This project was funded by Guernsey Overseas Aid Commission and a number of other donors. Over the year our total transfers for Water and Sanitation projects amounted to £105,279.

## Directors' Annual Report (continued)

- **Land rights security (Bolivia and Brazil)** These projects funded by DFID are focused on local advocacy, helping people to claim their constitutional rights to secure land tenure. There has already been one big success in Bolivia with the law changed so that land registrations now need to include both husband and wife. Secure land tenure is often a prerequisite for home improvement and is therefore a key to improving shelter. By focusing on local and national advocacy, we not only impact beneficiaries in the specific project area, but through policy change, we can influence a much larger population. The Bolivia project is in its third year of activity and runs to 31 March 2015. The total project cost is £416,439 and £68,729 was transferred to the project in the year. The Brazil project is now into its second year of activity and also runs to 31 March 2015. The total project cost is £475,636 and £141,905 was transferred to the project in the year. Over the year our total transfers for all land rights projects amounted to £210,634.

### Domestic Programme

After several years of consultation and planning, we resolved in June 2011 to develop a new structure based on a closer alignment between HI:HGB and Soutwark HI:H, with the latter becoming the primary operating company for domestic projects. In September 2011 the Southwark HFH Board adopted a resolution to implement the proposal. Legal and procedural work was completed in June 2012 with formal registration of the new operating company taking place at the year-end date of 30 June 2012. The new operating company was named HFHGB (Homes) and the results of the domestic operating company are consolidated in this report and accounts. During the year the activities of the HFHGB (Homes) were as follows:

HFHGB (Homes) has sought to develop a diverse portfolio of projects, so far covering multiple sites in London and in Banbury, Oxfordshire. These include:

- **Miller Road Project – Partnership working to build new Homes.** The project in Banbury was designed to address two faces of homelessness. The first was the provision of 10 flats for working people in housing need and the second was to increase the skills of young people so that they were able to work and therefore be less likely to suffer from being homeless. The project was completed on budget and within the agreed schedule. The flats are now let, via our partner housing association, to 10 working people in housing need in Banbury. The site, which was a neighbourhood eyesore, is now an asset for the local community and complements the existing built environment without resorting to pastiche. Equally important is the fact that over 80% of the young people who engaged with the project have moved into work or high quality training opportunities. With this increased skill base, the young people who were involved with the project are more likely to have the resources needed to deal with the challenges that could have left them homeless had they not engaged with the project. We are also very proud of the fact that the project, supported by our partners Cherwell District Council and Sanctuary Housing Group, was the winner of the Local Government Chronicle Award for Innovation 2011.

## Directors' Annual Report (continued)

- **Empty Homes Projects – Bringing Scarce Housing Resource back into use.** During the year we completed the refurbishment of three empty dwellings. The properties were refurbished to a very high standard and are now being used to house people from the local authority's housing waiting list. The lessons learnt from these projects will enable us to proceed to work on more empty property with increased confidence. During the last quarter of the year we have started to work on three more empty dwellings in one block in east London and currently the project is both on time and on budget and when completed will provide affordable homes for 3 more families on the waiting list for housing. We were informed at the end of the year that our bid for support, under the government's Empty Homes Community Funding, has been accepted. Our bid is for £566,000 and will support the return of 35 empty properties to affordable housing stock in London and Banbury.
- **Partnerships – helping those in greatest housing need.** The charity also completed a number of other projects during the year. In partnership with the American Church in London we constructed a building for use by their soup kitchen project which will enable people in need to enjoy hospitality in a warm and dry building rather than in the tented structure which we replaced.

LHH has been affiliated with HFHGB since 2002. Recently, both groups decided it was no longer in their interest to operate under a single brand. The Liverpool entity will continue to work under its own registered charity status. The two organisations hope that they might continue some form of cooperation in the future.

### Fundraising Performance

*Financial data in this section relates both to the performance of the charity and the Group, including HFHGB (Homes). Comments upon the performance of the charity are included to enable comparison with previous financial years prior to the establishment of the Group.*

Total income for the Group in the year was £2.7m (2012 £4.6m). In 2012 HFHGB acquired the assets of HFHGB (Homes) totalling £1.47m as an incoming resource at the date of acquisition (30<sup>th</sup> June 2013).

Total income for the charity in the year was £2.6m (2012 £3.2m). The main factors contributing to a 19% decrease were a 30% decline in grant and institutional income, a drop of 36% in individual giving attributable almost entirely to the India Builds campaign in the previous financial year, and a 22% decrease in income from our Global Village international volunteering programme.

Other income streams have held up well or increased slightly. We have seen our corporate giving increase by 8% and our church giving by 21%.

Our corporate income has been heavily centred upon a successful fundraising campaign within the UK house-building industry, where numerous house construction companies are engaging their staff in support of the charity. Our efforts to broaden our public support have stalled as we have undertaken a period of market and organisational analysis preceding external investment from Habitat for Humanity International which we expect to be received in 2013/14. Our core support of regular donors remains relatively stable.

## Directors' Annual Report (continued)

In the past few years we have developed our capabilities in programme management and institutional fundraising. In 2009/10 we quadrupled our income from statutory and institutional sources and subsequently saw a further 48% growth in this income stream in 2010/11. During 2011/12 we maintained the level of this income stream at £1.1m (2011 £1.1m). As noted above, we have experienced a decline in 2012/13 (£0.7m) in part due to the completion of one major grant programme funded by DFID, however we have successfully raised medium sized grants from Jersey Overseas Aid Commission to support natural disaster related projects and have also been accepted by DFID as an accredited organisation to be eligible for future funding as part of their Rapid Response Facility. This bodes well for future fundraising potential from institutional sources. We have challenges to overcome in building the necessary capacity to generate new sources of institutional income while managing existing major grants.

A detailed breakdown of income by donor type can be seen in Note 1 to the Accounts.

We would like to thank the following organisations and major supporters. Without their significant contribution, we would not have been able to help people in housing need both at home and overseas.

Acenden Ltd, Addleshaw Goddard LLP, Anglo American Group Foundation, Aon UK Ltd, Ashill Developments Ltd, Baillie Gifford and Company, Bakehouse Ltd, Bank of America, Bibby Lane Group Ltd, Bloomberg LP, Bovis Homes Ltd, CALA Group Ltd, Carmac (Building and Civil Engineering) Ltd, CB Richard Ellis Charitable Trust, CB Richard Ellis Limited, CGMS Limited, Charlcombe Homes, Charles Hayward Foundation, Chartered Institute of Housing, Chatham Evangelical Church, Christian Aid, City of Ely Community College, COINS Foundation, Cotmanhay Baptist Church, Crest Nicholson PLC, Croudace Homes Limited, Curtin & Co, DAC Beachcroft LLP, Designer Contracts Ltd, Daughters of Jesus, Department for International Development, Ebenezer Methodist Church, EC Harris, Elm Pentecostal Church Malvern, Elton John Aids Foundation, Embrace the Middle East, Foundation Developments Ltd, GE Money Home Lending, Guernsey Overseas Aid Commission, Hednesford Pentecostal Church, Home Builders Federation, JATO Dynamics, Jersey Overseas Aid Commission, JFA Landscape Environmental Planning, Jessella Ltd, Kingdom Housing Association Ltd, Lampton School, Lancashire Insurance Services Ltd, Land Securities Group PLC, Martin Howden Ltd, MacTaggart and Mickel Group, Marithold Ltd, MD Insurance Services Ltd, Morris Homes Ltd, Newbuild Window Solutions, NIIBC, NorDan UK Ltd, North East Scotland HFH (Habitat For Humanity), Nottingham Community Housing Association, Premier Guarantee Surveyors Ltd, Open Gate Trust, QBE European Operations, Reuby and Stagg Ltd, Reynolds Porter Chamberlain LLP, Robert Bion & Co Ltd, Robust Details Ltd, Roffey Homes Ltd, Rufus Leonard, Savills (UK) Limited, Schroder Investment Management, SolarTech Ltd, Speedyhire Plc, Starways Group Ltd, St John the Baptist Church Burford, Taylor Wimpey PLC, The Beatrice Laing Trust, The Berwickshire High School, The Bryan Guinness Charitable Trust, The Elizabeth and Graham Manson Trust, The Harrison Foundation, The Hillier Trust, The Rotary Club of Hythe, The Royal High School, The Stewarts Law Foundation, Towerbrook Capital Partners, University of St Andrews, Vitol Charitable Foundation, Wanderwide Charitable Trust, Wyedean School

In addition, we would like to express our appreciation to the hundreds of individual donors, volunteers and other organisations who also gave so generously during the year to support the work of Habitat for Humanity both in Britain and abroad.

## Directors' Annual Report (continued)

### Financial Review

*Financial data in this section relates both to the performance of the charity and the Group, including HFHGB (Homes). Comments upon the performance of the charity are included to enable comparison with previous financial years prior to the establishment of the Group.*

Total income for the Group was £2.7m, 98% of which came from grants and donations to the charity. This represents a drop in charitable income of 17% from the previous year (2012 £3.2m excluding acquisitions).

During the year, contributions to the Group were received from individuals (£0.4m), churches and civic groups (£50,820), companies (£0.6m), statutory, foundations, organisations and institutions (£0.2m), income associated with the international volunteering programme totalling (£0.6m). Other income was received from gift aid recovery (£79,748), Gifts in Kind (£52,599) and interest (£6,018). Grants from Habitat for Humanity International amounted to £142,802.

The total Group charitable expenditure, including grants to other HFH projects, was £1.2m (2012 £1.6m). These grants are used for house repair and construction, local affiliate capacity development, specialised shelter related projects, advocacy programmes and disaster response/reconstruction. In addition to these grants, other direct project expenditure of £0.4m (2012 £0.4m) related to our 'Global Village' programme.

Other costs of the Group include the delivery of charitable activities, fundraising and governance amounting to £1.6m (2012 £1.3m). The increase is attributable to some exceptional costs arising from a change in management of the charity preceding a period of reorganisation in the early months of 2013/14. Also a factor in the apparent increase in costs is the inclusion of employment and overhead costs of HFHGB (Homes) for the first time.

Employment and overhead expenses are apportioned to each of the main expense categories as shown on the Statement of Financial Activities. These apportionments are based upon staff time dedicated to charitable activities, to activities undertaken to generate funds and in governance work. In total the employment costs of the Group were £1.1m (2012 £0.7m) and represent 34% (2012 21%) of total expenditure in the year. These higher costs were also affected by the factors referred to above.

The company's assets are held to further its charitable objectives. At 30 June 2013, the Charity held net assets totalling £0.9m (2012 £1.3m). The assets of the Group totalled £2.3m at 30 June 2013 (2012 £2.7m).

## Directors' Annual Report (continued)

### Grant Making Policy

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

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

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

### Risk Assessment

On a periodic basis the directors review, with management, the major risks the charity faces. This is achieved through a risk register review process and through our regular Board meetings and sub-committee structure. In respect of financial risk, the Board receive financial reports on a quarterly basis to enable them to assess these risks. Normal policy is for the organisation to maintain sufficient unrestricted cash to cover ongoing costs in the near term and to build up a reserve fund to help meet obligations in the event of material adverse conditions. However, this policy has been temporarily set aside as the organisation pursues a plan to broaden its public funding base. (See 'Reserves Policy' below)

In addition, management systems and internal financial controls are in place to mitigate financial risks. During uncertain economic conditions we continue to review our business risks.

Other risks include implementation risk (that the work supported by HFHGB funds will not achieve the planned results), health and safety risk (that our overseas volunteer programme and work carried out overseas by HFHGB staff may pose risk) and funding risk (not having the resources to support the planned activities). These are also monitored regularly by management and Board sub-committees.

## Directors' Annual Report (continued)

### Reserves Policy

The directors have reviewed our need for reserves in line with the Charity Commission guidelines. The normal policy is to hold unrestricted reserves to protect against the risks of shortfalls in cash balances due to uncertainties in the timing of fundraising opportunities for unrestricted funds.

In previous years the directors had established a reserve policy to reach a level of 6 months operating costs, reviewed annually and built up to the desired level in stages consistent with the charity's overall financial position and its need to maintain and develop its charitable activities. From 2010/11 the directors delayed this objective for a period as the organisation pursues growth in public fundraising.

The negative year-end balance in the unrestricted fund was anticipated. The unrestricted fund deficit is supported by a bank overdraft facility underwritten by a Letter of Credit provided by Habitat for Humanity International. The Letter of Credit backed overdraft facility enables the charity to discharge its responsibilities to disburse all monies due from the Restricted Fund at any point in time.

The directors have reviewed the charity's activities, financial position and risk management policies together with the factors likely to affect future development, including the impact of economic uncertainties on voluntary income. They have concluded that it is reasonable to expect the charity to have adequate resources to continue in operational existence for the foreseeable future. Accordingly the going concern basis of accounting continues to be adopted in preparing the financial statements.

### Funding

The charity's assets attributable to each of its individual funds are available and adequate to fulfil its obligations in relation to those funds.

## Directors' Annual Report (continued)

### **Directors**

The directors, who are the charity trustees, and who have served during the year are listed below

Mr S A Baseley  
Mr D G Berry (resigned 4 September 2013)  
Ms A Carr  
Mr D S Haszczyn (resigned 6 June 2013)  
Mr G Foster (appointed 4 September 2013)  
Mr G Holmes (appointed 21 February 2013)  
Mr S L Howard  
Mr L Johnson  
Revd Dr S C Ledbetter (resigned 1 November 2012)  
Mrs R Martin (resigned 4 September 2013)  
Miss S Revell  
Mr L Sullivan  
Mr S Thomas  
Mr G Von Lehmden  
Mr I K Whitehead

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

### **Induction and training of new directors**

When directors join Habitat for Humanity Great Britain they are provided with a pack of information on the charity and its activities, this is supported by a personal briefing by the National Director.

### **Directors' Responsibilities for the Financial Statements**

The directors are responsible for preparing the Directors' 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.

Under that law the trustees have elected to prepare the financial statements 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

## Directors' Annual Report (continued)

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

The directors confirm that

- so far as each director is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

### **Charitable and Political Contribution**

There were no donations to charitable organisations or political contributions made during the period.

### **Auditors**

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

BY ORDER OF THE BOARD



Mr D Stapleton  
Secretary

6 December 2013



## Report of the Independent Auditor to the Directors of Habitat for Humanity Great Britain

We have audited the financial statements of Habitat for Humanity Great Britain for the year ended 30 June 2013 which comprise principal accounting policies, the Group statement of financial activities incorporating the summary income and expenditure account, the Group and parent balance sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement set out on pages 11-12, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/auditscopeprivate](http://www.frc.org.uk/auditscopeprivate).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 30 June 2013 and of the group's incoming resources and application of resources, including the group's and the parent 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

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



## Report of the Independent Auditor to the Directors of Habitat for Humanity Great Britain

### **Matters on which we are required to report by exception**

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

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

*Grant Thornton UK LLP*

Paul Creasey  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Oxford  
*6 December 2013*

## Principal accounting policies

### **Basis of Preparation**

The financial statements have been prepared under the historical cost convention and in accordance with the recommendations in the Statement of Recommended Practice Accounting by Charities (the SORP) issued in 2005

The principal accounting policies have remained unchanged from the previous year and are set out below

In accordance with section 397 of the Charity SORP 2005, and section 408 of the Companies Act 2006, the charity has not prepared a separate Statement of Financial Activities for the Charity

### **Consolidation**

HFHGB (Homes), formerly Southwark Habitat for Humanity, is regarded as a subsidiary undertaking by virtue of the Charity being the entity's sole member and its ability to direct and control HFHGB (Homes) The financial statements consolidate the results of HFHGB (Homes) with effect from the date that control was established, 30 June 2012

### **Incoming Resources**

#### **Grants Receivable**

Revenue grants are credited as incoming resources when they are receivable provided conditions for receipt have been complied with, unless they relate to a specified future period, in which case they are deferred

#### **Donations and Gifts**

All monetary donations and gifts are included in full in the statement of financial activities when receivable, provided that there are no donor-imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met

Legacies to which the company is entitled are included in the statement of financial activities unless they are incapable of measurement

Gifts-in-kind are accounted for at the directors' estimate of value to the company or sale value as follows

- assets received for distribution by the company are recognised only when distributed
- assets received for resale are recognised, where practicable, when receivable or otherwise when sold
- gifts of funds for acquiring fixed assets for company use are accounted for as restricted funds immediately on receipt

## Principal accounting policies

Intangible income is valued and included in income to the extent that it represents goods or services which would otherwise be purchased. An equivalent amount is charged as expenditure. Voluntary help is not included in income.

### Foreign Currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Where exchange differences result from the translation of foreign currency borrowings raised to acquire foreign assets they are taken to reserves and offset against the differences arising from the translation of those assets. All other exchange differences are dealt with through the statement of financial activities.

### Investment Income

Investment income is recognised when receivable.

### Resources Expended

Expenditure, which is charged on an accruals basis, is allocated between

- expenditure incurred directly to the fulfilment of the charity's objectives (charitable activities)
- expenditure incurred directly in the effort to raise voluntary contributions (costs of generating voluntary income) and
- expenditure incurred directly attributable to the governing of the charity (governance costs)

Items of expenditure involving more than one cost category are apportioned on the basis of the estimated costs relating to each category appropriate. Notes 4 and 6 detail the basis of apportioning costs. In summary

- governance costs are costs associated with the governance arrangements of the charity which relate to the general running of the charity as opposed to those costs associated with fundraising or charitable activity. Governance costs includes external audit, legal and professional fees, remuneration to trustees and costs associated with constitutional and statutory requirements. Also included within this category are any costs associated with the strategic management of the charity's activities
- office costs and employment costs are apportioned based on staff time analysis
- grants to Habitat for Humanity projects, projects expenses, fundraising and publicity, and travel costs are charged directly to the project or programme to which they relate

### Grants

Grant expenditure is treated as outgoing when it is payable, provided payment conditions have been met, unless it relates to a specified future period, in which case it is treated as prepaid.

## Principal accounting policies

### Liabilities

Liabilities are recognised when there is a legal and constructive obligation committing the charity to the expenditure

### Corporation Tax and VAT

The company has charitable status and is exempt from corporation tax on the income it has received. The company is not registered for VAT.

### Pension Contributions

At the year end the company operated a stakeholder pension scheme into which the employer and employees make contributions on a matching basis. The pension costs charged against the Statement of Financial Activities are the contributions payable to this scheme in respect of the accounting period, as shown in Note 7.

### Fund Accounting

Restricted funds are to be used for specified purposes laid down by the donor. Expenditure for those purposes is charged to the fund, together with a fair allocation of overheads and support costs.

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the charity.

Designated funds are unrestricted funds which have been designated for specific purposes by the directors.

### Tangible Fixed Assets and Depreciation

Tangible fixed assets are capitalised at cost where their acquisition value is greater than £250, and are stated at cost net of depreciation.

Depreciation is calculated to write down the cost of all tangible fixed assets by equal annual instalments over their expected useful lives. The rates generally applicable are:

Fixtures, fittings and equipment	-	over 5 years, on a straight line basis
Computer equipment	-	over 3 years, on a straight line basis

### Programme related investments

Programme related investments are stated at cost price at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on repayments and disposals throughout.

## Principal accounting policies

### **Leased Assets**

All leases are regarded as operating leases and the payments made under them are charged to the statement of financial activities on a straight line basis over the lease term

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## Group Statement of Financial Activities (incorporating an income and expenditure account and a statement of recognised gains and losses)

<u>Group</u>	Note	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
<b>Income</b>					
<b>Incoming resources</b>					
<b>Incoming resources from generated funds</b>					
Voluntary income					
- Grants and donations	1	1,616,975	1,053,864	2,670,839	3,161,199
- Value of net assets acquired in HFHGB (Domestic Operations)		-	-	-	1,465,415
<b>Total Voluntary income</b>	1	<b>1,616,975</b>	<b>1,053,864</b>	<b>2,670,839</b>	<b>4,626,614</b>
Investment income		6,018	-	6,018	7,376
Incoming resources from charitable activities	2	49,397	-	49,397	-
Other incoming resources		1,562	-	1,562	-
<b>Total incoming resources</b>	3	<b>1,673,952</b>	<b>1,053,864</b>	<b>2,727,816</b>	<b>4,633,990</b>
<b>Expenditure</b>					
<b>Resources expended</b>					
<b>Costs of generating funds:</b>					
Costs of generating voluntary income	4	461,749	-	461,749	492,307
<b>Charitable activities</b>	5	<b>1,344,181</b>	<b>1,243,970</b>	<b>2,588,151</b>	<b>2,721,550</b>
<b>Governance costs</b>		<b>152,417</b>	<b>-</b>	<b>152,417</b>	<b>90,792</b>
<b>Total resources expended</b>	6	<b>1,958,347</b>	<b>1,243,970</b>	<b>3,202,317</b>	<b>3,304,649</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>(284,395)</b>	<b>(190,106)</b>	<b>(474,501)</b>	<b>1,329,341</b>
<b>Transfers</b>		<b>23,098</b>	<b>(23,098)</b>	<b>-</b>	<b>-</b>
<b>Net income and expenditure and movement in funds</b>		<b>(261,297)</b>	<b>(213,204)</b>	<b>(474,501)</b>	<b>1,329,341</b>
<b>Total funds brought forward at 1 July 2012</b>		<b>1,499,716</b>	<b>1,228,592</b>	<b>2,728,308</b>	<b>1,398,967</b>
<b>Total funds carried forward at 30 June 2013</b>	13	<b>1,238,419</b>	<b>1,015,388</b>	<b>2,253,807</b>	<b>2,728,308</b>

There were no recognised gains or losses other than the surplus for both the current and preceding financial period. All incoming resources and resources expended derive from continuing operations.

The accompanying accounting policies and notes form an integral part of these financial statements.

**Habitat for Humanity Great Britain  
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## Balance Sheet

	Note	<u>Group</u>		<u>Charity</u>	
		2013 £	2012 £	2013 £	2012 £
<b>Fixed assets</b>					
Tangible assets for use by the charity	9	534,806	59,593	15,973	23,967
Investments		-	-	-	-
Programme Related Investments	10	557,106	638,448	-	-
		<u>1,091,912</u>	<u>698,041</u>	<u>15,973</u>	<u>23,967</u>
<b>Current assets</b>					
Debtors	11	360,768	370,355	282,193	265,240
Cash at bank and in hand		1,036,533	1,817,614	744,203	1,083,960
		<u>1,397,301</u>	<u>2,187,969</u>	<u>1,026,396</u>	<u>1,349,200</u>
<b>Creditors - amounts falling due within one year</b>	12	<u>235,406</u>	<u>157,702</u>	<u>118,063</u>	<u>110,274</u>
<b>Net current assets</b>		<u>1,161,895</u>	<u>2,030,267</u>	<u>908,333</u>	<u>1,238,926</u>
<b>Net Assets</b>		<u>2,253,807</u>	<u>2,728,308</u>	<u>924,306</u>	<u>1,262,893</u>
<b>Funds</b>					
Unrestricted funds	13	1,238,419	1,499,716	(78,215)	42,061
Restricted funds	13	1,015,388	1,228,592	1,002,521	1,220,832
		<u>2,253,807</u>	<u>2,728,308</u>	<u>924,306</u>	<u>1,262,893</u>

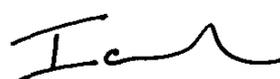
These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

The financial statements were approved by the Directors on

S A Baseler  
Chairman

Date 6 December 2013

Company number 3012626  
Charity number 1043641



I K Whitehead  
Director

Date 6 December 2013

The accompanying accounting policies and notes form an integral part of these financial statements

**Habitat for Humanity Great Britain  
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## Notes to the financial statements

### 1 Voluntary income

	Unrestricted £	Restricted £	2013 Total £	2012 Total £
Grant income				
Non-United Kingdom Governments	-	262,496	262,496	319,777
Habitat for Humanity International	142,802	-	142,802	56,015
Department for International Development	-	216,947	216,947	298,977
Embrace the Middle East ( <i>formerly Biblelands</i> )	-	66,330	66,330	64,122
Cherwell District Council		6,000	6,000	
DCLG Empty Homes Grant		23,850	23,850	
	<b>142,802</b>	<b>575,623</b>	<b>718,425</b>	<b>738,891</b>
Donation income				
Individuals	362,895	20,374	383,269	604,106
Churches	29,026	19,759	48,785	40,301
Companies	317,809	256,831	574,640	507,713
Gifts in kind	52,599	-	52,599	3,000
Civic groups	800	1,235	2,035	1,679
Legacies	-	-	-	24,776
Foundations, Organisations & Institutions	14,141	180,042	194,183	373,096
Gift Aid recovered on donations from individuals	79,748	-	79,748	79,000
	<b>857,018</b>	<b>478,241</b>	<b>1,335,259</b>	<b>1,633,671</b>
International Volunteering Programme	<b>617,155</b>	-	<b>617,155</b>	788,637
Value of net assets acquired in HFHGB (Domestic Operations)	-	-	-	1,465,415
<b>Total voluntary income</b>	<b>1,616,975</b>	<b>1,053,864</b>	<b>2,670,839</b>	<b>4,626,614</b>

The gifts in kind relate to archive services donated in the year

### 2 Incoming resources from charitable activities

	2013 Total £	2012 Total £
Volunteer facilitation grants	28,969	-
Smaller projects	11,678	-
Rental income – Short leasehold properties	8,750	-
<b>Total</b>	<b>49,397</b>	-

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## Notes to the financial statements (continued)

### 3 Total incoming resources

Income attributable to geographical areas outside the United Kingdom amounted to 22% (2012 14%)

### 4 Costs of generating voluntary income

	Unrestricted £	Restricted £	2013 Total £	2012 Total £	Basis of allocation
Fundraising and promotion	189,347	-	189,347	238,902	Direct
Employment costs	215,667	-	215,667	195,462	Staff time
Support costs	56,735	-	56,735	57,943	Staff time
	<u>461,749</u>	<u>-</u>	<u>461,749</u>	<u>492,307</u>	

### 5 Charitable activities

	Unrestricted £	Restricted £	2013 Total £	2012 Total £
International programme	110,006	1,186,572	1,296,578	1,549,744
International volunteering programme	719,846	-	719,846	824,673
Domestic programme	263,181	66,609	329,790	110,423
Advocacy	241,937	-	241,937	236,710
Programme support recoverable *	9,211	(9,211)	-	-
Total	<u>1,344,181</u>	<u>1,243,970</u>	<u>2,588,151</u>	<u>2,721,550</u>

\* In accordance with the terms agreed with specific donors and grant providers, programmatic support costs (including financial management, monitoring project outputs, evaluation, the sharing of learning and best practice), representing up to 20% of funds received, are met by those amounts held within restricted funds. The above figures represent the change in the amount recoverable from restricted funds between brought forward and carried forward restricted funds

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## Notes to the financial statements (continued)

### 6 Analysis of resources expended

	Cost of generating funds £	Charitable activities £	Governance £	2013 Total £	2012 Total £	Basis of allocation
Grants to HFH projects		1,206,683		1,206,683	1,606,917	Direct*
Grants returned		3		3	-	Direct*
Int'l project expenses		447,915		447,915	439,795	Direct*
Domestic project expenses		53,634	101	53,735		
Fundraising and promotions	189,347	121,902	-	311,249	363,117	Direct*
Employment costs	215,667	581,865	88,609	886,141	681,480	Staff time
Office costs	48,816	137,040	16,280	202,136	178,251	Staff time
Travel costs	5,061	13,159	2,024	20,244	25,862	Direct*
Training	225	1,864	-	2,089	512	Direct*
Audit and accountancy	-	348	20,520	20,868	10,026	Governance
Consultancy costs	2,441	5,645	814	8,900	3,747	Direct*
Recruitment costs	65	151	22	238	-	Governance
Legal and Professional	-	1,344	23,260	24,604	4,609	Direct*
Bad Debt expense		2,700		2,700		
Other expenses	127	19,681	787	20,595	-	
Loss/(Gain) on foreign exchange	-	(5,783)	-	(5,783)	(9,667)	Staff time
	<b>461,749</b>	<b>2,588,151</b>	<b>152,417</b>	<b>3,202,317</b>	<b>3,304,649</b>	
Total resources expended include				2013 £	2012 £	
Auditors remuneration Audit services				15,000	10,000	
Depreciation Tangible fixed assets				20,164	17,186	

\* Costs that are allocated on a "Direct" basis are charged directly to the project or programme to which they relate, no apportionment of those costs is required

All grants were paid to institutions and none to individuals

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## Notes to the financial statements (continued)

### 7 Employees

	2013	2012
	£	£
Wages and salaries	919,343	594,677
Social security costs	86,059	59,538
Pension costs	41,156	22,702
Death in service	3,611	4,563
	<u>1,050,169</u>	<u>681,480</u>

The above 2013 employee costs incorporate £170,027 of capitalised staff costs within HFHGB (Homes)

The average number of full time equivalent employees during the period, analysed by activity, were as follows

	2013	2012
	Number	Number
Costs of generating funds	7	6
Charitable activities	19	13
Governance	3	2
	<u>29</u>	<u>21</u>

During the year one employee received emoluments of between £100,000 and £110,000 (2012 nil)  
Employer contributions to the pension fund of this employee amounted to £24,533 (2012 £nil)

During the year no employee received emoluments of between £60,000 and £70,000 (2012 one) Employer contributions to the pension fund of this employee amounted to £nil (2012 £5,440)

The increase in both costs of employment and staff numbers are largely attributable to the effect of the consolidation of HFHGB (Homes) appearing in the 2013 financial statements. In 2012 the consolidation of HFHGB (Homes) does not appear in the Statement of Financial Activities as the acquisition took place on the balance sheet date 30<sup>th</sup> June 2012

### 8 Payments to Directors and connected persons

During the year the company engaged the consultancy services of Mrs R Martin costing £5,565. Mrs R Martin was a director of the company at the time but has resigned from this role on 4<sup>th</sup> September 2013

No other director or person with a family or business connection with a director received remuneration in the period directly or indirectly, from either the charity or an institution or company controlled by the charity

No trustees received reimbursement of travel expenses during the year (2012 £nil)

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## Notes to the financial statements (continued)

### 9 Tangible fixed assets

<u>Group</u>	Fixtures, fittings and equipment £
Cost	
At 1 July 2012	221,691
Additions	493,815
Disposals	(15,613)
	<hr/>
At 30 June 2013	699,893
	<hr/>
Depreciation	
At 1 July 2012	162,098
Provided in the period	20,164
Disposals	(17,175)
	<hr/>
At 30 June 2013	165,087
	<hr/>
Net book amount at 30 June 2013	534,806
	<hr/>
Net book amount at 30 June 2012	59,593
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<u>Charity</u>	Fixtures, fittings and equipment £
Cost	
At 1 July 2012	166,043
Additions	-
	<hr/>
At 30 June 2013	166,043
	<hr/>
Depreciation	
At 1 July 2012	7,994
Provided in the period	142,076
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At 30 June 2013	150,070
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Net book amount at 30 June 2013	15,973
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Net book amount at 30 June 2012	23,967
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## Notes to the financial statements (continued)

### 10 Programme Related Investments

	<u>Group</u>		<u>Charity</u>	
	2013	2012	2013	2012
	£	£	£	£
Cost or Valuation				
At 1 July 2012	638,448	-	-	-
Acquired on consolidation	-	638,448	-	-
Repayments	(81,342)	-	-	-
At 30 June 2013	<u>557,106</u>	<u>638,448</u>	<u>-</u>	<u>-</u>

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

### 11 Debtors

	<u>Group</u>		<u>Charity</u>	
	2013	2012	2013	2012
	£	£	£	£
Trade debtors	41,372	24,582	-	-
VAT	2,702	4,593	-	-
Other debtors	221,614	302,466	187,113	230,772
Prepayments	95,080	38,714	95,080	34,468
	<u>360,768</u>	<u>370,355</u>	<u>282,193</u>	<u>265,240</u>

### 12 Creditors: amounts falling due within one year

	<u>Group</u>		<u>Charity</u>	
	2013	2012	2013	2012
	£	£	£	£
Social security and other taxes	19,545	24,071	12,080	17,520
Trade creditors	164,426	85,058	81,822	61,804
Accruals	51,435	28,155	24,161	16,532
Deferred income	-	20,418	-	14,418
	<u>235,406</u>	<u>157,702</u>	<u>118,063</u>	<u>110,274</u>

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## Notes to the financial statements (continued)

### 13 Fund movements summary

<u>Group</u>	Unrestricted funds (note 14) £	Restricted funds (note 15) £	Total funds £
At 1 July 2012	1,499,716	1,228,592	2,728,308
Incoming resources	1,673,952	1,053,864	2,727,816
Expenditure	(1,958,347)	(1,243,970)	(3,202,317)
Transfers	23,098	(23,098)	-
At 30 June 2013	<u>1,238,419</u>	<u>1,015,388</u>	<u>2,253,807</u>

<u>Charity</u>	Unrestricted funds (note 14) £	Restricted funds (note 15) £	Total funds £
At 1 July 2012	42,061	1,220,832	1,262,893
Incoming resources	1,577,946	1,039,174	2,617,120
Expenditure	(1,721,320)	(1,234,387)	(2,955,707)
Transfers	23,098	(23,098)	-
At 30 June 2013	<u>(78,215)</u>	<u>1,002,521</u>	<u>924,306</u>

The transfers in the year represent the release of funds permitted to be spent by the charity in line with its general charitable activities, as agreed with the grant provider and/or donor and therefore no longer held for restricted purposes

### 14 Unrestricted funds

<u>Group</u>	General undesignated funds £	Other designated funds	Total unrestricted funds £
At 1 July 2012	1,499,716	-	1,499,716
Incoming resources	1,673,952	-	1,673,952
Expenditure	(1,958,347)	-	(1,958,347)
Transfers	23,098	-	23,098
At 30 June 2013	<u>1,238,419</u>	<u>-</u>	<u>1,238,419</u>

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## Notes to the financial statements (continued)

### 14 Unrestricted funds (continued)

Charity	General undesigned funds £	Other designated funds	Total unrestricted funds £
At 1 July 2012	42,061	-	42,061
Incoming resources	1,577,946	-	1,577,946
Expenditure	(1,721,320)	-	(1,721,320)
Transfers	23,098	-	23,098
At 30 June 2013	<u>(78,215)</u>	<u>-</u>	<u>(78,215)</u>

#### General undesigned funds

This fund is available to the directors to apply for the general purposes of the charity as set out in its governing document. The directors are free to use these funds for any of the charity's purposes.

#### Other designated fund

These are funds which at the point of receipt had been classified as unrestricted, but where we had an expectation of a specific usage due to on-going dialogue with donors. At the year end all donor requirements concerning these funds had been met.

### 15 Restricted funds

Group	Genworth Financial fund £	Domestic programmes £	International programmes £	Total Restricted funds £
At 1 July 2012	7,760	47,549	1,173,283	1,228,592
Incoming resources	36,459	29,850	987,555	1,053,864
Expenditure	(44,219)	(21,849)	(1,177,902)	(1,243,970)
Transfers	-	(2,000)	(21,098)	(23,098)
At 30 June 2013	<u>-</u>	<u>53,550</u>	<u>961,838</u>	<u>1,015,388</u>

Genworth Financial fund represents a grant received from Genworth Financial to be used to support the position of chief executive of HI·HGB (Homes).

Charity	Domestic programmes £	International programmes £	Total Restricted funds £
At 1 July 2012	47,549	1,173,283	1,220,832
Incoming resources	51,619	987,555	1,039,174
Expenditure	(56,485)	(1,177,902)	(1,234,387)
Transfers	(2,000)	(21,098)	(23,098)
At 30 June 2013	<u>40,683</u>	<u>961,838</u>	<u>1,002,521</u>

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## Notes to the financial statements (continued)

### 15 Restricted funds (continued)

Further breakdown of the reserves held for international programme activities:

<u>Group and Charity</u>	At 1 July 2012	Incoming resources	Expenditure	Transfers	At 30 June 2013
	£	£	£	£	£
Elton John AIDS Foundation	158,376	104,769	(240,866)	9,533	31,812
DFID Vietnam (CSCF 470)	(1,287)	-	(3)	-	(1,290)
DFID Bolivia (CSCF 495)	(250)	72,922	(72,720)	-	(48)
DFID Brazil (CSCF 538)	(18,338)	144,025	(153,983)	-	(28,296)
Sri Lanka Emergency fund	220,346	-	-	(220,346)	-
International grants fund	164,651	601,494	(470,826)	-	295,319
Other international projects	649,785	64,345	(239,505)	189,715	664,340
Total	<u>1,173,283</u>	<u>987,555</u>	<u>(1,177,903)</u>	<u>(21,098)</u>	<u>961,837</u>

#### Elton John AIDS Foundation (Cambodia)

This fund represents two sequential projects in Cambodia primarily funded by the Elton John Aids Foundation. Habitat for Humanity is working in partnership with a number of local organisations to deliver shelter solutions to people infected or affected by HIV/AIDS and orphans and vulnerable children. The first project finished and the second project began in the financial year. The expenditure of £240,866 relates to both projects.

#### Department for International Development (Vietnam)

This three year project, funded by DFID (Civil Society Challenge Fund), totalling £454,580, began in July 2009 and is entitled 'Rural Water and Sanitation Capacity Building for Households Affected by Poverty in Vietnam'. The project aims to support the Government of Vietnam in attaining its 'National Target Programme for Rural Water Supply and Sanitation' objectives of improved health and living conditions in rural areas. The project concluded at the end of the financial year.

#### Department for International Development (Bolivia)

The 'Improving Access to Urban Land and Property Rights for Women and Excluded Families in Bolivia' project is funded by DFID (Civil Society Challenge Fund). This five year project, totalling £416,439, commenced in June 2010, and will advocate for gender-responsive laws, policies and regulations, resulting in improved urban land governance.

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## Notes to the financial statements (continued)

### **Department for International Development (Brazil)**

The 'Secure land tenure for women and vulnerable groups in Brazil' project commenced in July 2011 and is funded by DFID (Civil Society Challenge Fund) Totalling £475,636, over four years, the project aims to reduce urban poverty for women and vulnerable groups in Recife, in the state of Pernambuco by increasing their access to secure land tenure and property

### **Sri Lanka Emergency Fund**

Following a number of attempts to use the Sri Lanka Emergency fund as matched funding for other projects, which in the event did not materialise, we approached the Charity Commission to seek approval to move these funds into a less restricted fund called 'Building Resilience and Disaster Response' This approval was granted and a transfer to our 'Other International Projects fund was made from the Sri Lanka Emergency Fund, thus fully depleting that fund

### **International grants fund**

This represents major grant funding for specific projects funded by institutional funders not disclosed separately elsewhere

### **Other international projects**

This represents restricted donations and grants for international projects and the subsequent transfer of funds to, and support for, HFH projects overseas

**Habitat for Humanity Great Britain  
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## Notes to the financial statements (continued)

### 16 Analysis of net assets between funds

Group	Unrestricted funds £	Restricted funds £	Total £
Tangible fixed assets	534,806	-	534,806
Programme related investments	557,106	-	557,106
Current assets	381,913	1,015,388	1,397,301
Current liabilities	(235,406)	-	(235,406)
	<u>1,238,419</u>	<u>1,015,388</u>	<u>2,253,807</u>

Charity	Unrestricted funds £	Restricted funds £	Total £
Tangible fixed assets	15,973	-	15,973
Current assets	23,875	1,002,521	1,026,396
Current liabilities	(118,063)	-	(118,063)
	<u>(78,215)</u>	<u>1,002,521</u>	<u>924,306</u>

### 17 Share capital

Habitat for Humanity Great Britain is a company limited by guarantee and does not have a share capital

### 18 Contingent liabilities

There were no contingent liabilities as at 30 June 2013 or 30 June 2012

### 19 Operating lease commitments

At 30 June 2012 the company was committed to making the following payments during the next year in respect of operating leases

Group	2013		2012	
	Buildings £	Other £	Buildings £	Other £
Leases which expire within				
Two to five years	61,500	-	61,500	-
Within one to two years	-	4,071	-	4,412
	<u>61,500</u>	<u>4,071</u>	<u>61,500</u>	<u>4,412</u>

Charity	2013		2012	
	Buildings £	Other £	Buildings £	Other £
Leases which expire within				
Two to five years	61,500	-	61,500	-
Within one to two years	-	4,071	-	4,412
	<u>61,500</u>	<u>4,071</u>	<u>61,500</u>	<u>4,412</u>

**Habitat for Humanity Great Britain  
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## Notes to the financial statements (continued)

### 20 Capital commitments

There were no capital commitments as at 30 June 2013 or 30 June 2012

### 21 Related party transactions

Habitat for Humanity Great Britain continues to raise funds to support a number of affiliated Habitat organisations in the United Kingdom and abroad

### 22 Controlling related party

The Directors/Trustees believe that they are the controlling related party

### 23 Subsidiary undertaking

Habitat for Humanity Great Britain (HI·HGB) became the Sole Member of HI·HGB (Domestic Operations), formerly Southwark Habitat for Humanity, on 30 June 2012. As Sole Member the charitable company acquired control of HFHGB (DO) as defined by the Charity Statement of Recommended Practice 2005 (SORP) paragraph 388

The results of HFHGB (Domestic Operations) have been consolidated in line with the requirements of the Charity SORP and in accordance with Financial Reporting 2 and the requirements of the Companies Act 2006

A summary of the results for the year ended 30 June 2013 are set out below

	£
Voluntary income – grants and donations	108,120
Investment income	3,236
Incoming resources from charitable activities	49,397
Other income	1,562
	<u>162,315</u>
Costs of generating voluntary income	11,604
Charitable activities	270,121
Governance costs	23,371
	<u>305,096</u>
Net outgoing resources for the year	<u>(142,781)</u>

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## Notes to the financial statements (continued)

The net assets of the subsidiary are set out below

	2013	2012
	£	£
Tangible fixed assets	1,075,939	674,074
Current assets	412,458	838,769
Current liabilities	<u>(117,343)</u>	<u>(47,428)</u>
Total funds	<u>1,371,054</u>	<u>1,465,415</u>
Represented by		
Unrestricted funds	1,365,054	1,457,655
Restricted funds	<u>6,000</u>	<u>7,760</u>
	<u>1,371,054</u>	<u>1,465,415</u>