

**HABITAT FOR HUMANITY
GREAT BRITAIN (A COMPANY
LIMITED BY GUARANTEE)**

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

30 JUNE 2003



Company no 3012626
Charity no 1043641

HABITAT FOR HUMANITY GREAT BRITAIN

FINANCIAL STATEMENTS

For the period ended 30 June 2003

Company registration number 3012626

Charity registration number 1043641

Registered office: 11 Parsons Street
Banbury
Oxon
OX16 5LW

Trustee directors: Mr I K Whitehead
Mrs J A M Merryman
Mr L Johnson
Mr D S Haszczyń
Ms S M Silk
Mr W McGivern
Ms R Hopkins
Ms D Devenny
Ms K Koch
Mr R Shell
Mr S Howard

Secretary: Mr L Johnson

Patrons: HRH The Duke of Gloucester KG GCVO
Prof G Ashworth
The Rt Revd M Baughen
Mr A Burt
The Revd A Campolo
The Revd S Chalke
Mr S Hughes MP
Ms A Sarkis
Mrs E Storkey
The Revd D Tidball
The Very Revd M Bunker

Bankers: National Westminster Bank Plc
Bridge Street
Banbury
OX16 5JS

HABITAT FOR HUMANITY GREAT BRITAIN

FINANCIAL STATEMENTS

For the period ended 30 June 2003

Auditors:

Grant Thornton
Registered Auditors
Chartered Accountants
46 West Bar
Banbury
Oxon
OX16 9RZ

HABITAT FOR HUMANITY GREAT BRITAIN

FINANCIAL STATEMENTS

For the period ended 30 June 2003

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HABITAT FOR HUMANITY GREAT BRITAIN

REPORT OF THE DIRECTORS

The Directors, who are Trustees but are hereafter referred to as directors, present their report together with financial statements for the fifteen months ended 30 June 2003. Habitat for Humanity Great Britain (HFHGB) has changed its fiscal year to 30th June, to fall in line with the year-end of Habitat for Humanity International (HFHI). In making comparison therefore between 2001/02 and 2002/03 figures, this extended financial period should be noted.

PRINCIPAL ACTIVITIES

The charitable company's principal activities are to fulfil its charitable objects "by working with people everywhere, from all walks of life, to develop communities with people in need by building and renovating houses so that there are decent houses in decent communities in which they can live and grow into all that God intended".

HFHGB achieves its mission by developing and resourcing local Community Groups who are involved in community development by building and renovating simple, decent and affordable houses in their localities. HFHGB helps support Southwark Habitat for Humanity and Banbury Habitat for Humanity, two separate charities that were started by HFHGB in 1996 as a means of achieving its principal activity.

Southwark Habitat for Humanity and Banbury Habitat for Humanity are registered separately and, therefore have separate accounts. However, they are an important part of HFHGB's strategy and represent a considerable element of direct charitable activity in Great Britain during the 2002/03 financial period. This means that a considerable amount of income and expenditure to achieve our mission in Great Britain is not represented in these accounts.

Southwark Habitat for Humanity has completed eleven houses since 1997 and began another five houses in the 2002/03 financial period. Banbury Habitat for Humanity has so far built two houses but have not build during the period.

As distinct from Southwark and Banbury, our Community Groups in Cardiff, Eastbourne, Birmingham and Liverpool are projects of HFHGB and as such, their activities are consolidated in these accounts.

ORGANISATION

The Directors met 8 times in a fiscal period with the organisations AGM held in November 2002.

The day to day running of the company is carried out from the Registered Office and is delegated through the National Director. From its inception until June 2002 this function was very ably filled by David Stapleton who stepped down from the post shortly after his 65th birthday. The board is indebted to the hard work and energy that David has given to HFHGB, his contribution will provide the foundation for future years development. In addition, the day to day running of the company during the fiscal year has been in the hands of a management team headed by Interim National Director John Grain who reported directly to the HFHGB Board. A new permanent National Director, Ian Walkden was appointed in August 2003, soon after the end of the fiscal year.

BUSINESS REVIEW

Southwark Habitat for Humanity has continued apace with the completion of four houses in the period and the start of another five. We have continued our work with Southwark Habitat for Humanity with programme, fundraising, budget and publicity support.

At the end of the fiscal period Eastbourne HFH approached the completion of their first two house project in Langney, Eastbourne. This project is sited on land donated to the project by the local authority.

Birmingham HFH has been held back by difficulties in land acquisition. However, significant funding has been raised through local sources with support from the HFHGB fundraising team. The group continue to strive to establish their first building project within the 2003/04 financial period.

HABITAT FOR HUMANITY GREAT BRITAIN

REPORT OF THE DIRECTORS

After sustained effort the Cardiff HFH has reluctantly decided to close due to a lack of success in obtaining land. During the period the Cardiff HFH group has continued to put great effort into developing Global Village teams to take up short-term overseas volunteering opportunities.

Banbury Habitat for Humanity has continued its break from house building throughout the period.

Liverpool HFH began as a new project with a well-supported launch event coinciding with the first anniversary of the September 11th attacks. Land with space to accommodate 32 homes has been donated by the Archdiocese of Liverpool and the group are working hard to raise funds to commence their first project on the land in Autumn 2003. Support is being given to the Liverpool project by HFHGB in the form of funding, fundraising expertise and publicity materials. Liverpool HFH has forged links with the Maritime Housing Association and Hope University who are helping with funding, land acquisition and administrative support.

A review of activities by the Charity Commission has cleared the way for HFHGB, Southwark Habitat for Humanity and Banbury Habitat for Humanity to sell houses to the new homeowners without further reference to the Commission.

The Board has initiated a process of establishing the Birmingham, Eastbourne and Liverpool HFH groups as separate autonomous affiliates of the charity, in the same form as the Southwark and Banbury groups. This move follows more closely the traditional model of governance established by HFH International that focuses governance at the community level.

Global Village

During the period, 30 (2002: 12) Global Village teams went to volunteer their time in Habitat for Humanity projects in the developing world. Part of the challenge for the teams was to raise a minimum £250 donation per team member (£150 for youth participants) to be given to the hosting project/country in order to help fund the cost of further houses. Altogether £72,986 (2002: £45,645) was sent to HFH affiliates that hosted Global Village teams, with further donations expected from those teams.

During period, 28 people trained to be Global Village team leaders to lead teams in the 2003/04 season.

Fundraising

Through the support of HFHI we invested heavily in fundraising to build a self-sustaining charity. This investment began in 2001/02 and continued (with a substantially reduced grant from HFHI) in 2002/03.

The result of the 2001/02 fundraising investment was felt during the current financial period with total income (excluding grants and project income) of £865,611. This increase in income has enabled us to continue financing the fundraising team which comprised a Corporate Fundraising Manager and a Trusts and Statutory Fundraising Manager. In addition a Director of Programme Development was appointed in the period.

Much of the increased income came from corporate sources and included gift-in-kind agreements to support Habitat for Humanity's work across in Great Britain and Northern Ireland.

We also saw an increase of 4,650 individual donors through a programme of database development, beginning in September 2002. Income from individual donors amounted to £115,672. This is an ongoing programme of investment by HFHI.

HFHGB would like to thank all its donors who gave so generously during the period. Overleaf are listed those majors donors without whose significant contributions the organisation would not have been able to help people in housing need both at home and overseas:

HABITAT FOR HUMANITY GREAT BRITAIN

REPORT OF THE DIRECTORS

J Disney, P Englander, J Grussing, D Haszczyn, N Hillier, Stephen Howard, D Maley, D Steele, N Suffling, J Tarrant, Tom Teichman, I Whitehead, St Botolph's Without Bishopsgate, St David's Moreton-in-Marsh, Central & Eastern Europe Fellowship, Bank of New York, Binnie Black & Veatch, Centre Island Hotel, Cisco Systems, Citibank, Cookson Group, Fairclough Homes, Freshfields Bruckhaus Deringer, LaFarge, Maritime Housing, Mersey Docks and Harbour Board, Morgan Chase, Robert Turley Associates, Slough Estates, Western Geco, AB Charitable Trust, Alfred Haines Trust, Birmingham City Council, Dulverton Trust, Eastbourne Housing Action, Garfield Weston, The Girdlers Charitable Trust, Grimmitt Trust, Heartland & Marine Housing Association, International Community Church, Liverpool City Council, The Sheldon Trust, Triangle Trust, W Cadbury Trust,

Habitat for Humanity International

As in the previous period HFHI continued to support HFHGB in their efforts to become financially independent with a strategic grant to cover fundraising and programme support.

FINANCIAL REVIEW

In the period, total income (£1,294,809) grew by 53%. The grant received from HFHI (£180,163) was significantly reduced from the 2002 level (£416,726). Total donations (£865,611) increased by 210% on 2001/2002 (£279,418) with contributions amounting to: individuals (£76,266), churches (£17,274), companies (£495,084) trusts (£93,120) and direct marketing (£115,672).

In the period, direct charitable expenditure (Note 3), included grants of £249,388 (2002: £149,693) to affiliated Habitat for Humanity groups in Great Britain and to the Habitat for Humanity programme worldwide for the purposes of house construction and affiliate development. Project Expenditure (entirely related to the HFH Global Village Programme – see Note 13) of £206,876 includes net donations sent to overseas HFH affiliates of £72,986 (2002: £45,645)

Additional funds were raised for affiliated groups by Habitat for Humanity Great Britain and were sent directly to the affiliated groups. The cost associated with raising these sums appears in these accounts, however the income appears in the separately audited accounts of our affiliates.

The company's assets are held in order to further its charitable objects.

At 30 June 2003, the charity had net assets totalling £378,033 (2002: £194,449).

Please note 2002/03 figures cover a 15-month period.

Risk Assessment

The Directors review the major risks that the company face on a periodic basis with management. The Directors believe the charity has sufficient operating flexibility and adequate resources to meet its obligations in the event of adverse conditions, although there is no assurance that required income levels will be achieved. The Directors have also reviewed operational and business risks in conjunction with management and confirm that systems have been established to mitigate significant risks.

Reserves Policy

At present time the Directors do not expect to retain significant reserves.

Funding

The Directors are satisfied that the company's assets attributable to each of its individual funds are available and adequate to fulfil its obligations in relation to those funds.

HABITAT FOR HUMANITY GREAT BRITAIN

REPORT OF THE DIRECTORS

Directors

The Directors, who are the charity trustees, and who have served during the period are listed below.

Mr I K Whitehead
Mrs J A M Merryman
Mr L Johnson
Mr D S Haszczyń
Ms S M Silk
Mr W McGivern (appointed 30 July 2002)
Ms R Hopkins (appointed 30 July 2002)
Ms D Devenny (appointed 30 July 2002)
Mr R Shell (appointed 5 November 2002)
Ms K Koch (appointed 6 January 2003)
Mr S Howard (appointed 6 January 2003)

The following directors resigned shortly after the start of the financial period

Mr J G Larkin (resigned 8 July 2002)
Mr J M B Eddison (resigned 8 July 2002)
Revd G M Anderson (resigned 8 July 2002)

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

Directors' responsibilities for the financial statements

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

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards and statements of recommended practice 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 company will continue in business.

The Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ascertain its financial position and to ensure that the financial statements comply with the Companies Act 1985 and the Charities Act 1993 and regulations there under. They are also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements comply with current statutory requirements and with the charities governing document.

Fixed Assets

The movements in fixed assets are set out in note 9 to the financial statements.

HABITAT FOR HUMANITY GREAT BRITAIN

REPORT OF THE DIRECTORS

Charitable and political contribution

There were no donations to charitable organisations nor political contributions made during the period.

Small company exemption

These financial statements have been prepared in accordance with the special provision of Part VII of the Companies Act relating to small companies.

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985

BY ORDER OF THE BOARD



Mr L Johnson
Secretary

**REPORT OF THE INDEPENDENT AUDITORS TO THE DIRECTORS OF
HABITAT FOR HUMANITY GREAT BRITAIN**

We have audited the financial statements of the Habitat for Humanity Great Britain for the period ended 30 June 2003, which comprise the principal accounting policies, the Statement of Financial Activities, the Balance Sheet, and notes 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's members, as a body, in accordance with section 43 of the Charities Act 1993. 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.

Respective responsibilities of the directors and auditors

The directors are also the directors of Habitat for Humanity Great Britain for the purposes of company law. Their responsibilities for preparing the report of the directors (trustees) and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the charity is not disclosed.

We read other information contained in the directors' report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the charity's affairs as at 30 June 2003 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

BANBURY

Debar 1, 2003

The maintenance and integrity of the Habitat for Humanity (Great Britain) website is the responsibility of the directors: the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

HABITAT FOR HUMANITY GREAT BRITAIN

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared and follow the recommendations in the Statement of Recommended Practice: Accounting by Charities (the SORP) issued in October 2000. They have been prepared under the historical cost convention.

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

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 fixed assets for company use or funds for acquiring fixed assets for company use are accounted for (as restricted funds) immediately on receipt.

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.

Projects

Project income is income received with restrictions placed upon it by the donor, the funds to be used for specific projects. For example, Global Village (short term mission teams). Project income is accounted for when it is received.

HABITAT FOR HUMANITY GREAT BRITAIN

PRINCIPAL ACCOUNTING POLICIES

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 profit and loss account.

Investment income

Investment income, including associated tax recoveries, is recognised when receivable.

RESOURCES EXPENDED

Expenditure, which is charged on an accrual basis, is allocated between:

- expenditure incurred directly to the fulfilment of the charity's objectives (direct charitable)
- expenditure incurred directly in the effort to raise voluntary contributions (fund-raising and publicity) and
- expenditure incurred in the management and administration of the charity.

Items of expenditure involving more than one cost category are apportioned on the basis of the estimated costs relating to each category appropriate.

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 20% per annum

Corporation tax and VAT

The company has charitable status and is exempt from corporation tax on the income it has received.

The company is registered for VAT. Accordingly, expenditure in the income and expenditure account excludes the relevant VAT where appropriate.

Pension contributions

The company operates a stakeholder pension scheme, and makes contributions to the personal pension schemes of certain employees.

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.

HABITAT FOR HUMANITY GREAT BRITAIN

PRINCIPAL ACCOUNTING POLICIES

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.

STOCKS

Stocks are stated at the lower of cost and net realisable value.

HABITAT FOR HUMANITY GREAT BRITAIN

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AND INCOME AND EXPENDITURE ACCOUNT)

For the period ended 30 June 2003

	Note	Unrestricted Funds £	Restricted Funds £	15 months ended 30 June 2003 Total Funds £	12 months ended 31 March 2002 Total Funds £
Income					
Incoming resources					
Grants	1	165,261	14,902	180,163	416,726
Donation (gross) and other	2	402,623	462,988	865,611	279,418
Projects		-	249,035	249,035	149,450
Total incoming resources		567,884	726,925	1,294,809	845,594
Expenditure					
Resources expended					
Costs of generating funds: Fund raising and publicity	4	129,044	-	129,044	134,429
Charitable expenditure: Direct charitable expenditure	3	347,237	598,003	945,240	578,127
Management and administration	5	36,941	-	36,941	42,696
Total resources expended		513,222	598,003	1,111,225	755,252
Net incoming resources before investment, gains and losses		54,662	128,922	183,584	90,342
Transfers		3,394	(3,394)	-	-
Net movement in funds		58,056	125,528	183,584	90,342
Total funds brought forward at 1 April 2002		74,726	119,723	194,449	104,107
Total funds carried forward at 30 June 2003	13	132,782	245,251	378,033	194,449

There were no recognised gains or losses other than the surplus for the financial period.

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

HABITAT FOR HUMANITY GREAT BRITAIN

BALANCE SHEET AT 30 JUNE 2003

	Note	£	As at 30 June 2003 £	£	As at 31 March 2002 £
Fixed assets					
Tangible assets for use by the charity	9		22,853		31,474
Current assets					
Stock	10	89,223		36,368	
Debtors	11	4,878		178,198	
Cash at bank and in hand		<u>365,519</u>		<u>51,613</u>	
		459,620		266,179	
Creditors - amounts falling due within one year	12	<u>104,440</u>		<u>103,204</u>	
Net current assets			<u>355,180</u>		<u>162,975</u>
			<u>378,033</u>		<u>194,449</u>
Funds	13				
Unrestricted funds			132,782		74,726
Restricted funds			<u>245,251</u>		<u>119,723</u>
	14		<u>378,033</u>		<u>194,449</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Directors on 19 November 2003.



I K Whitehead

Director



L Johnson

Director

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

HABITAT FOR HUMANITY GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2003

1 GRANTS

	15 months ended 30 June 2003		12 months ended 31 March 2002	
	Unrestricted	Restricted	Unrestricted	Restricted
	£	£	£	£
Habitat for Humanity International	<u>165,261</u>	<u>14,902</u>	<u>337,727</u>	<u>78,999</u>

2 DONATIONS

	15 months ended 30 June 2003		12 months ended 31 March 2002
	Unrestricted	Restricted	Restricted
	£	£	£
Individuals	40,929	35,163	43,638
Churches	5,360	11,914	10,478
Companies	200,802	219,282	161,878
Trusts	6,350	161,770	38,857
Direct Marketing	103,320	12,352	-
Interest	3,586	-	2,512
Tax recovered	23,548	-	-
Other	18,728	22,507	22,055
	<u>402,623</u>	<u>462,988</u>	<u>279,418</u>

3 DIRECT CHARITABLE EXPENDITURE

	15 months ended 30 June 2003		12 months ended 31 March 2002
	Unrestricted	Restricted	Total
	£	£	£
Tithe	18,854	-	18,854
Grants to affiliated Habitat for Humanity groups	-	249,388	249,388
International projects	-	206,876	206,876
Community group development	-	118,476	118,476
Community development:			
Employment costs	247,317	23,263	270,580
Training	5,123	-	5,123
Support costs	75,943	-	75,943
	<u>347,237</u>	<u>598,003</u>	<u>945,240</u>

Tithe represents grants made to Habitat for Humanity projects primarily in the developing world. All Habitat for Humanity organisations adopt a policy of contributing 10% of all income where no restrictions are placed upon that income by the original donor.

HABITAT FOR HUMANITY GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2003

4 FUND RAISING AND PUBLICITY

	Unrestricted £	Restricted £	15 months ended 30 June 2003 Total £	12 months ended 31 March 2002 Total £
Fund raising	1,336	-	1,336	15,210
Publicity	4,496	-	4,496	24,299
Employment costs	94,274	-	94,274	71,610
Support costs	28,938	-	28,938	23,310
	<u>129,044</u>	<u>-</u>	<u>129,044</u>	<u>134,429</u>

5 MANAGEMENT AND ADMINISTRATION EXPENDITURE

	Unrestricted £	Restricted £	15 months ended 30 June 2003 Total £	12 months ended 31 March 2002 Total £
Employment costs	16,434	-	16,434	13,802
Audit and accountancy	8,925	-	8,925	9,615
Support costs	7,380	-	7,380	5,873
Recruitment costs	2,419	-	2,419	13,373
Legal and professional	1,783	-	1,783	33
	<u>36,941</u>	<u>-</u>	<u>36,941</u>	<u>42,696</u>

6 ANALYSIS OF RESOURCES EXPENDED

	Staff expenses £	Depreciation £	Other £	15 months ended 30 June 2003 Total £	12 months ended 31 March 2002 Total £
Fundraising and publicity	94,274	3,277	31,493	129,044	134,429
Direct charity expenditure	275,704	8,611	660,925	945,240	578,127
Management and administration	<u>16,434</u>	<u>573</u>	<u>19,934</u>	<u>36,941</u>	<u>42,696</u>
	<u>386,412</u>	<u>12,461</u>	<u>712,352</u>	<u>1,111,225</u>	<u>755,252</u>

HABITAT FOR HUMANITY GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2003

Total resources expended include:

	15 months ended 30 June 2003 £	12 months ended 31 March 2002 £
Auditors remuneration		
Audit services	6,000	2,000
Non audit services	2,250	7,615
Depreciation		
Tangible fixed assets	12,461	8,774

7 EMPLOYEES AND DIRECTORS

Wages and salaries included in staff costs during the period were as follows:

	15 months ended 30 June 2003 £	12 months ended 31 March 2002 £
Wages and salaries	320,121	229,978
Social security costs	25,070	22,332
Other pension costs	12,834	9,514
	358,025	261,824

These costs do not include the value of wages and salaries donated by other entities.

The average number of employees during the period, analysed by activity, were as follows:

	15 months ended 30 June 2003 Number	12 months ended 31 March 2002 Number
Fundraising and communications	3	2
Programme	5	6
Programme support	1	3
	9	11

No employees received emoluments in excess of £50,000 during this or the preceding period.

8 PAYMENTS TO DIRECTORS AND CONNECTED PERSONS

No 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.

Travel and subsistence expenses reimbursements paid to 2 trustee (2002: 2) during the period amounted to £463 (2002: £1,380).

HABITAT FOR HUMANITY GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2003

9 TANGIBLE FIXED ASSETS

	Fixtures, fittings and equipment £
Cost	
At 1 April 2002	58,486
Additions	3,840
At 30 June 2003	62,326
Depreciation	
At 1 April 2002	27,012
Provided in the period	12,461
At 30 June 2003	39,473
Net book amount at 30 June 2003	22,853
Net book amount at 31 March 2002	31,474

10 STOCK

	2003 £	2002 £
Work in progress - houses	89,223	36,368

11 DEBTORS

	2003 £	2002 £
Other debtors	1,422	48,026
Due from Habitat for Humanity International	-	127,250
Prepayments	3,456	2,922
	4,878	178,198

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Social security and other taxes	8,090	9,634
Trade creditors	6,371	10,243
Amounts owed to affiliated Habitat for Humanity groups	-	64,339
Accruals	41,494	18,988
Deferred income	48,485	-
	104,440	103,204

HABITAT FOR HUMANITY GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2003

13 FUND MOVEMENTS SUMMARY

	Unrestricted funds £	Restricted funds £	Total funds £
At 1 April 2002	74,726	119,723	194,449
Incoming resources	567,884	726,925	1,294,809
Expenditure	(513,222)	(598,003)	(1,111,225)
Transfers	3,394	(3,394)	-
At 30 June 2003	<u>132,782</u>	<u>245,251</u>	<u>378,033</u>

Unrestricted funds

Funds held within Unrestricted are undesignated general funds.

Transfer between funds

The transfer from the Restricted Funds to the Unrestricted Funds represents the balance on the direct marketing project at 1 April 2002 of £4,151, which had erroneously been treated as Restricted Funds, less a deficit of £757 from the Habitat for Humanity International ("HFHI") Staffing Fund.

Restricted Funds

These funds represent funds held on behalf of Habitat for Humanity community groups as well as funds donated for specific HFHI projects in development countries. This can be broken down as follows:

	HFHGB Community groups £	Other HFH projects £	Total funds £
At 1 April 2002	104,082	15,641	119,723
Incoming resources	178,140	548,785	726,925
Expenditure	(118,475)	(479,528)	(598,003)
Transfers	-	(3,394)	(3,394)
At 30 June 2003	<u>163,747</u>	<u>81,504</u>	<u>245,251</u>

Further breakdown of the reserves held for Habitat for Humanity Great Britain Community groups:

	Birmingham £	Cardiff £	Eastbourne £	Liverpool £	Total £
At 1 April 2002	22,134	10,432	47,044	24,472	104,082
Incoming resources	62,089	2,610	52,541	60,900	178,140
Expenditure	(30,371)	(11,029)	(10,895)	(66,180)	(118,475)
Transfers	-	-	-	-	-
At 30 June 2003	<u>53,852</u>	<u>2,013</u>	<u>88,690</u>	<u>19,192</u>	<u>163,747</u>

The Community group funds represent amounts collected on behalf of the appropriate local affiliated groups for the purpose of building and renovating decent and affordable houses in their localities.

HABITAT FOR HUMANITY GREAT BRITAIN

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For the period ended 30 June 2003

Further breakdown of the reserves held for other Habitat for Humanity projects:

	Direct market- ing £	Global village £	Southwark £	Banbury £	HFHI £	HFHI Staffing £	Total £
At 1 April 2002	4,151	11,316	-	174	-	-	15,641
Incoming resources	12,352	249,034	231,618	117	33,157	22,507	548,785
Expenditure	-	(206,876)	(216,518)	(251)	(32,619)	(23,264)	(479,528)
Transfers	(4,151)	-	-	-	-	757	(3,394)
At 30 June 2003	12,352	53,474	15,100	40	538	-	81,504

The Direct Marketing funds represent restricted income collected via the direct marketing campaign.

The Global Village fund represents amounts collected to fund the costs of sending volunteers to assist with Habitat for Humanity projects in the developing world, and to make donations to those international projects.

The Southwark and Banbury funds represent amounts collected on behalf of those affiliates for the purposes of building and renovating decent and affordable houses in their localities.

The HFHI (Habitat for Humanity International) fund represents designated donations received by Habitat for Humanity Great Britain to grant to overseas Habitat for Humanity organisations. The balance at the period end, £538, represents the remaining balance to be paid out on international projects in future periods.

The HFHI Staffing Fund (Habitat for Humanity International) fund represents the incoming funds and expenditure relating to a staff position funded by HFHI. This is outside HFHI's regular operations grant. During the period, expenditure exceeded income by £757, the shortfall being covered by a transfer from unrestricted funds.

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted fund £	Total £
Tangible fixed assets	22,853	-	22,853
Current assets	214,369	245,251	459,620
Current liabilities	(104,440)	-	(104,440)
	132,782	245,251	378,033

15 SHARE CAPITAL

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

16 CONTINGENT LIABILITIES

There were no contingent liabilities as at 30 June 2003 or 31 March 2002.

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17 OPERATING LEASE COMMITMENTS

At 30 June 2003 the company was committed to making the following payments during the next year in respect of operating leases:

	2003		2002	
	Buildings	Other	Buildings	Other
	£	£	£	£
Leases which expire within:				
One to two years	<u>10,000</u>	<u>3,835</u>	<u>10,000</u>	<u>3,835</u>

18 CAPITAL COMMITMENTS

There were no capital commitments as at 30 June 2003 or 31 March 2002.

19 RELATED PARTY TRANSACTIONS

There were no related party transactions other than those disclosed within note 8 during the period.

20 INDEMNITY INSURANCE

Funds belonging to the company have been used to purchase indemnity insurance that protects the company from loss arising from the neglect and default of its Directors, employees and agents, and indemnifies the Directors, and officers against the consequences of any neglect or default on their part.

The premium for the cover was £1,733 (2002: £1,260).

21 CONTROLLING RELATED PARTY

The Directors believe that they are the controlling related party.